TANGANYIKA
TERRITORY

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A Study of Economic Policy under Mandate

By

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Issued under the auspices of the Royal Institute of International Affairs

OXFORD UNIVERSITY PRESS
LONDON NEW YORK TORONTO
1944

OXFORD
UNIVERSITY PRESS
AMEN HOUSE, E.C.4
London Edinburgh Glasgow
New York Toronto Melbourne
Capetown Bombay Calcutta
Madras
HUMPHREY MILFORD
PUBLISHER TO THE
UNIVERSITY

PREFACE

SINCE this book was begun, the problem of how the obvious advantages of undivided national responsibility in colonial government can best be combined with a wide measure of international collaboration, particularly in the economic development of colonial territories, has increasingly engaged public attention in both this country and the United States. Among the various schemes put forward to meet the demand for international control, the authoritative statement of the British Government claims most attention. It envisages the setting up of Regional Advisory Commissions on which all the Powers interested in a given colonial region would be represented. Whatever the merits of this and other schemes may be, the whole discussion discloses surprisingly little inclination to build on the foundations of international supervision which were laid more than twenty years ago in the form of the Mandates System, or even to take cognisance of the lessons which may be drawn from this first experiment in international supervision of colonial administration. This may be due, in part, to the general discount of everything connected with the League of Nations. However, an examination of how the Mandates System has worked, what have been its achievements and shortcomings, should provide some useful guidance for future policy, and this book is meant as a contribution towards that end.

The study concentrates on economic and financial policy under mandate, not only because of its general importance, but also because, compared with other aspects of colonial policy, research on this aspect has been greatly neglected. Although the picture drawn is based on an examination of the policy applied to all the territories under B mandate, Tanganyika Territory has been chosen as the principal example of how the Mandates System has worked. This choice hardly needs justification. Tanganyika is not only in area and population the most important mandated territory in Africa, but its situation and circumstances give it a particular significance for future British colonial policy in that part of the world. In more than one sense it may be regarded as a key territory. While non-African settlement and enterprise occupy an important place in its economy and their contribution could hardly be eliminated without a disastrous setback to prosperity, native development has been allowed more scope, especially in the allocation of land, than in most of the other African territories where European settlement has taken

place on a fairly large scale. Tanganyika thus presents more favourable conditions than other African countries for demonstrating that successful non-African enterprise may be compatible with a policy genuinely governed by the paramountcy of native interests.

This consideration has acquired increased weight by the wider official adoption in recent years of the device of framing economic policy with a view to areas larger than a single territory and of thus overcoming the often artificial political frontiers between African countries. One such measure of regional economic policy—the customs union between the three British East African territories—has been reviewed at some length in this book, and it has been found necessary to deal critically with the customs policy applied under the union. But this does not imply a rejection of the idea of regional development as such, which is full of promising potentialities. It is hoped, however, that the criticism of the particular manner in which the customs union between Tanganyika, on the one hand, and Kenya and Uganda, on the other, has operated, may help to show that a removal of customs barriers will prove beneficial to all the countries concerned only if the trade policy applied takes into account their different stages of development, and is determined by the needs of the less developed rather than by those of the most advanced partners.

The original manuscript has been severely curtailed owing to war-time conditions; references and quotations as well as statistical material are presented more summarily than would have been considered adequate in normal circumstances.

I should like to express my sincere gratitude to the authorities of Lady Margaret Hall, Oxford, who, by awarding me a Research Fellowship twice over, have enabled me to devote six years to colonial research and to the writing of this book. I am further indebted to the Royal Institute of International Affairs for arranging publication. Finally, I should like to acknowledge the great helpfulness shown me throughout by the Library staffs of Rhodes House, Oxford, and of the Colonial Office.

CHARLOTTE LEUBUSCHER

Cambridge. *September*, 1943

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INTRODUCTION: THE DETERMINING FACTORS IN COLONIAL POLICY

COLONIAL policy is decisively shaped by two sets of factors:

(1) The natural conditions of the colonial territories—their climate and resources, area, situation in relation to other territories, size and character as well as the stage of development of their populations.

(2) The legal and political traditions of the governing Power, both at home and in the colonies, its resources in man-power and capital, and, above all, the views held by its public opinion as to the principles according to which colonies should be governed and developed.

The first set of factors is mainly responsible for the fact that the various Governments wielding power over countries in tropical Africa at the present time are largely confronted by identical problems. This is hardly a matter for surprise as far as technical, scientific, and health problems are concerned, such as the prevention of soil erosion, the preservation and development of water and forest resources, the fight against tropical diseases, and so on. But even apart from these technical questions—which, moreover, nearly always present some educational, economic, and social aspect—the social, political, and economic problems which have emerged in all African tropical territories are essentially the same. They spring from the disintegrating effect of the European impact on African society; the transition from a primitive collectivist organization of economic life to one in which individual impulses and individual property are bound to play an increasingly important rôle; and the interdependence and conflicting interests of European enterprise in agriculture, mining, and industry on the one hand, and native peasant economy on the other. But although the primary causes of many problems are the same, there are great divergences in the way in which colonial Governments handle their problems. This is due, partly, to divergent conditions in various African territories, but mainly to those factors which help to shape the principles and determine the methods of colonial policy in the mother country. As a historian has recently remarked: 'Colonial policy is made at home; given a free hand, the mother country will make

the kind of empire it needs.'[1] This is hardly less true of modern oclonial government than of government under the 'Pacte colonial' to which the passage refers.

The result is that colonial rule wielded for any considerable time leaves an inescapable mark on the colonial country and its population. A new political and cultural situation is thus created which can seldom be ignored or entirely effaced when a change of administration or administrative principles takes place. The same Power may likewise create different traditions, especially when its rule is determined locally to such an extent as under the British system of colonial government. As Margery Perham points out with regard to various systems of native administration: 'The experience of one part of Africa can very seldom be directly applicable to another, since allowance has to be made not only for indigenous peculiarities, but for the effects of thirty or forty years of divergent British policies.'[2]

To these two factors, local and imperial, has been added the international factor in the last fifty or sixty years; together they have moulded the principles by which an extensive area in tropical Africa is being governed. In the terms of the General Act of Berlin of 1885, the object of the conventions known as the Congo Basin Treaties was 'to demonstrate the agreement of the Powers with regard to the general principles which should guide their commercial and civilizing action' in the area defined in the Convention. More concretely, the aim was to set up certain standards for the treatment of the native populations, standards designed—though mainly in the negative sense of abolishing abuses—to safeguard their welfare, and to ensure equal conditions for the commerce of all interested nations in a wide area of Central Africa.

The present study is concerned exclusively with that form of international regulation which was established by the Treaty of Versailles under the name of the Mandates System, and more particularly with the system of B mandates under which the former German colonies in tropical Africa have been administered from 1920 onwards. The legal foundation of the system is Article 22 of the Covenant of the League of Nations in conjunction with the individual mandates as approved by the Council of the League.

The ideas embodied in these documents are not new. As far as the principle of 'native trusteeship' is concerned, the main significance of Article 22 is, according to Lord Lugard, 'that it

[1] Richard Pares, 'The Economic Factors in the History of Empire'. *Economic History Review*, Vol. VII, No. 2, May, 1937.

[2] Margery Perham, *Native Administration in Nigeria*. Oxford University Press, 1937, p. 347.

gives a more precise and definite form to earlier ideals.'[1] Again, the stipulation that the nationals of all Member States of the League shall enjoy economic equality is identical in substance with the chief provisions of the Congo Basin Treaties, although the area covered and the number of States to which the guarantee is extended are not entirely the same. The main innovation introduced in 1919 was the incorporation of these ideals and guarantees in the Covenant of the League—an international document of much wider scope and significance than former acts dealing with colonial issues—and the establishment of machinery for continuous supervision. The mandatory Powers are under the obligation to send annual reports on their administration of the territories to the Council of the League, but the actual supervision is carried out by an expert body, the Permanent Mandates Commission,[2] which has for its part to report its observations to the Council. The latter may make representations to the mandatory Powers on certain issues; questions concerning the mandated territories are, moreover, discussed annually by the Assembly of the League. On the legal interpretation of the text of the mandates, the Permanent Court of International Justice may be invoked.[3] This brief sketch bears out Lord Lugard's summing-up: 'The Mandates System has the serious and unavoidable defect that like its predecessors (viz., the Congo Basin Treaties) it lacks the power of coercion to enforce obligations.'[4]

In attempting to estimate the potential influence of the Mandates System on the administration of the mandated territories, one has to bear in mind this lack of executive power. The system represents 'national administration subject to international supervision', as Mr. Ormsby-Gore (Lord Harlech) once put it in giving evidence, as British representative, before the P.M.C. It does not represent international government. The initiative as well as the responsibility for the policy applied rests exclusively with the various mandatory Powers. Any weight which the observations and suggestions of the P.M.C. may carry, even if they are supported by the League Council and Assembly, depends almost entirely on goodwill and considerations of political expediency on the part of the mandatory Government. The latter may even use considerable discretion with regard to the information supplied to the Commission.

[1] *The Dual Mandate in British Tropical Africa.* Blackwood, 4th ed., 1929, p. 57.

[2] Subsequently quoted as P.M.C.

[3] This study is mainly concerned with the *operation* and *results* of the Mandates System, not with its machinery. For a detailed description of the latter, see the standard work by Quincy Wright, *Mandates under the League of Nations*, University of Chicago Press, 1930.

[4] *Op. cit.*, p. 57.

There can be no doubt, therefore, that compared with the two other factors outlined above, the Mandates System is of secondary importance in determining colonial policy in particular countries. In other words, any effects which the system may have will operate within the framework of national administration. This means that, in spite of the general principles laid down in Article 22, very divergent policies, particularly in relation to native affairs, are possible within the system.

The Mandates System has, however, a further function beyond that of supervising the administration of a few territories. It aims at setting up general standards of colonial policy, and at informing the civilized world of, and keeping it alive to, matters concerning the government of 'peoples not yet able to stand by themselves under the strenuous conditions of the modern world.'

Even before 1919, the world had become aware of the problems connected with the government of backward peoples; what was wanting, however, was an impartial organ able to voice objections and warnings. Had such an organ been in existence during the thirty years preceding the last war, the appalling abuse and unscrupulous exploitation of the native inhabitants of the Congo Free State would hardly have been allowed to persist as long as it did.

In view of this wider function the Mandates System must be considered as an advance on the previous state of affairs, even though its actual influence on the administration of the mandated territories may prove to be relatively weak.

Its effect on the selected territories is, however, no matter of indifference from the point of view of the more comprehensive function assigned to the system. Apart from other considerations, continuous supervision over the administration of a number of colonial territories presenting divergent conditions gives the work of the P.M.C. a background of reality which it would otherwise lack.

This fact in itself would justify an investigation, after twenty years' experience, into the working of the system and into the effect of mandatory administration on the economic development of the territories over which a mandate was established in 1919.

The B mandates constitute by far the most important part of the system. They alone embody without limitation its two principal features. On the one hand, they concern territories—all situated in tropical Africa—the populations of which will for a long time to come need the guidance of a more advanced nation, whereas the inhabitants of the countries under A mandate have either achieved political independence or may hope to obtain it in the not too distant future. On the other hand, the B mandates secure full economic equality to all nationals of Member States

of the League of Nations, a provision which is absent from the C mandates.

Political and social experiments cannot be carried out in a vacuum. They are made in a given and variable situation. No single factor can be isolated in such a way as to show clearly its particular share in bringing about a certain result. The absence of a reliable basis of comparison presents another difficulty. In any attempt to measure the progress of several adjoining territories under the same rule account has to be taken of differences in the composition of the population, in the development and prosperity achieved up to the last war, and in the amount and nature of their resources. This sets limits to a statistical comparison between the results of administration under mandate on the one hand, and various other forms of colonial government on the other.

The same remark applies to a comparison of the results of mandatory administration with those of the administration of the same territories under German rule before 1918. Indeed any such attempt on the basis of statistics is futile; first, because the former German colonies in Africa now under B mandate have all been split up, the parts being placed under different administrations; and, secondly, because the economic and political conditions of the period following the last war in general, and the purchasing power of money in particular, differ widely from those of the years before 1914.[1] Comparisons can, however, be drawn between the main principles of various Administrations.

In these circumstances, while comparisons with other territories or with pre-1914 conditions need not be excluded, the best method of estimating the results of the Mandates System would seem to be to examine the policy adopted and the economic development achieved under mandatory administration on its own merits. This will be done mainly in relation to the most important country under B mandate—Tanganyika Territory.

As a preliminary, however, it is necessary to describe briefly the economic background and political framework under which the Mandates System has had to operate.

[1] Comparisons expressed in values, as found in certain French official publications, are, therefore, particularly misleading; for instance, expenditure on health or educational services expressed in pre-war goldmarks on the one hand, and in post-war paper francs on the other—without a hint as to the depreciation of the latter in comparison with the pre-war parity of the German and the French currencies.

I. BACKGROUND AND FRAMEWORK OF MANDATORY ADMINISTRATION IN AFRICA

CHAPTER I

THE ECONOMIC CHARACTER OF THE PERIOD AND THE PREVAILING TENDENCIES IN COLONIAL POLICY

NOT many words are needed to prove that 1920 to 1938 was a period of great economic instability in world trade. Apart from the dislocation caused by the war, which it took several years to overcome, vital factors in the structure underlying world trade had become modified, and adjustments were necessary. The setting up of new frontiers, revolutionary innovations in methods of production, in transport and communications, important alterations in the geographical distribution of industry, changes in the price relation of various goods—all combined to create an entirely new situation as compared with the years preceding 1914. The establishment of a new equilibrium was greatly delayed, or even prevented, by disturbances and obstacles in the political as well as the economic field. The setting up of new and the tightening of existing trade barriers, and the failure of Governments to re-establish the free flow of gold as regulator of foreign exchanges made it impossible to restore that degree of flexibility which is an essential condition for the smooth functioning of international trade.

Primary producers were badly hit by both the repercussions of the trade cycle and the unfavourable general trend of world prices of agricultural produce in relation to those of manufactured articles. Average world prices in gold, as expressed in percentages of 1929 prices, amounted in 1932 to 44 per cent. in the case of raw materials, 52 per cent. in the case of foodstuffs, and 64 per cent. in the case of manufactured articles.[1] Some of the raw materials which constitute staple products of African territories dropped even more sharply in value than is indicated by the general price index. Thus, world prices of sisal, coffee, maize, and hides fell to 30 per cent., and those of cocoa, cotton, and palm oil to between 40 and 30 per cent. of their 1929 level.[2] Producers succeeded in exporting larger quantities of some commodities during those years, but this expedient did not fully offset the loss in value.

The movement of the trade cycle was frequently modified for

[1] League of Nations, *Review of World Trade*, 1937, p. 16.
[2] League of Nations, *World Production and Prices*, 1925–35, p. 102.

individual countries by either the over-valuation or the depreciation of their currencies in relation to gold. Since most colonial currencies are linked in a fixed relation to the currency of the mother country, the economic and financial position of the respective territories was subject to the influence of the monetary policy adopted by the governing Power. The French and Belgian dependencies in Africa, in particular, were considerably affected by every phase of inflation, depreciation, and deflation through which the monetary systems of the mother countries passed. In British territories, the devaluation of the £ in 1931 acted as a stimulant to export, and helped to ease the impact of the slump.

Nevertheless, in spite of great economic and financial difficulties, the years from 1920 to 1938, considered as a whole, have been a period of important development and material progress for most countries in tropical Africa, especially for those under British and Belgian rule. This applies to both agricultural production and mining. There is, however, an important difference between these two industries.

The most remarkable fact in relation to agricultural production is the outstanding contribution native peasants have made in increasing the production of foodstuffs for domestic consumption and of commercial crops for the world market. This development has considerably enlarged the purchasing power of the African. The main result has been the wide recognition that the African peasant, adopting gradually improved methods of cultivation and individualist forms of land tenure, will constitute the most important factor in the future economic system and society of that part of the world. This represents a significant change from the outlook which determined methods of colonial exploitation in many African territories in the two decades preceding the last war. To describe this change rather summarily, one may say that the utilization of African resources, apart from minerals, has proceeded from the collection by natives of produce growing wild first, to the production, by native labour, of export crops on European-owned estates, and, second, to the cultivation by native peasants on their own land, of commercial crops for sale on internal as well as external markets.

These different forms of exploitation have, of course, overlapped and do so to-day, and development has not followed the same course or been equally manifest in all the countries of tropical Africa. But it represents, nevertheless, the chief line of economic progress in most of them.

With the growing realization of the essential part production by native peasants has come to play, European settlement and European large-scale enterprise, based on large concessions of land and the employment of African labour, have come to be

regarded less and less as the principal and most commendable method for the economic utilization of agricultural resources in tropical Africa.[1] The change has been far more striking in the Belgian Congo, in French Equatorial Africa, and in the former German colonies, than in that part of Africa which was governed by Great Britain before 1914. In British West Africa, especially, the importance of native agriculture was recognized even before the last war, and the establishment of a régime of large land concessions, such as was introduced in most non-British dependencies, was not allowed. However, if British colonial policy pursued other and, in the light of experience, more progressive methods of exploitation, it is none the less true that even in countries like Nigeria, Uganda, and the Gold Coast, which owe their present prosperity almost entirely to the cultivation of marketable crops by native farmers, the systematic encouragement and improvement of native agriculture by expert Government departments became a primary object of colonial policy only after the last war.[2]

From an economic point of view, the strength of production by African peasants lies in the fact that they show greater resilience in periods of falling prices than estate agriculture, and that they are able to accept lower prices for their produce than plantations which have to pay interest on their capital.

Nevertheless, a peasant economy also needs to adapt itself to market conditions and confronts colonial policy with problems of its own. Briefly, the chief object of this policy should be to introduce and encourage greater diversification in the economic life of African countries; this applies both to production for export, where the dangers of monoculture have to be met, and to internal development, where social progress cannot be achieved without increasing differentiation in occupation and individual wealth.

This leads to an aspect of wider consequence than the relative economic advantages of various systems of production.

The idea of native trusteeship as expressed in Article 22 of the Covenant and in the mandates as well as in several documents on national policy[3] clearly demands an economic system opening to Africans a wider range of occupations and activities than is available to them at present. It is difficult to see how they can be

[1] The lesson that farming by Europeans on a comparatively narrow capital basis has, on the whole, little chance of success in tropical Africa, had, however, to be learned only after the last war, and has so far only been reluctantly accepted; this is evident from recent experience in Kenya and Tanganyika.

[2] See O. T. Faulkner and J. R. Machie, *West African Agriculture*, Cambridge University Press, 1933, p. 5.

[3] Among these, three British White Papers are of outstanding importance, viz., *Indians in Kenya* (1923) Cmd. 1922, *Memorandum on Native Policy in East Africa* (1930) Cmd. 3573, and *Statement of Policy on Colonial Development and Welfare* (1940) Cmd. 6175, H.M. Stationery Office.

taught to stand on their own feet within the framework of an economy which confines the great majority of Africans to subsistence farming or to manual work for non-Africans. On the other hand, a society composed primarily of peasant producers seems to offer sufficient possibility for a greater measure of differentiation and to allow the individual some choice of occupation and way of life—an essential pre-requisite to, and agent of, economic and cultural progress.

Thus, as far as the fundamental principles of native policy are concerned, the Mandates System was not only, in the words of Lord Lugard, 'the latest expression of the conscience of Europe in regard to peoples not yet able to stand by themselves', but has a solid foundation in economic facts. One may even say that an ideal which won its first great battle with the abolition of the slave trade and has been the loadstar of all missionary effort, has been increasingly justified by economic results; and this may well be regarded as the most significant feature of colonial policy in the inter-war period.

A second line of development along which great progress was made between 1920 and 1938, was the exploration and opening up of mineral resources. Most of the mining industries as well as certain industries established in the mining centres in the Belgian Congo, Northern Rhodesia, the Gold Coast, Kenya, and Tanganyika either date from that period or have at least undergone a great expansion.

Large-scale mining is of necessity the domain of European capital and management. The main problem for colonial policy, apart from questions of finance and taxation, concerns the method of obtaining labour and the treatment of natives working at or in connection with the mines. Complaints of employers in mining and agriculture about the difficulty of finding sufficient workers go back to long before 1920. There can be no doubt, however, that the labour situation has been greatly aggravated from the point of view of employers by the development of mining in territories which until recently supplied workers for the mining areas of adjoining territories. Competition between different kinds of employers—mines, plantations, farms, transport undertakings, public works—for the available labour force has become more and more severe, and some employers, particularly in agriculture, have found it increasingly difficult to secure labour at customary wages.

This relative shortage of labour—which was, however, temporarily reversed during the economic depression—has so far not been reflected in any considerable rise in native wage rates. It has, however, had the effect of inducing employers to devote more attention to the housing and feeding of workers and to the

provision of better medical services for them. Governments and employers have, moreover, collaborated in lessening the hardships of the often lengthy journeys between native villages and the place of work by providing rest camps and lorries or railways for the transport of workers. In addition, Administrations have established control over the recruitment of natives for work outside their own district, and have thus suppressed many of the abuses to which uncontrolled recruiting by private agencies lends itself.

Another amelioration was the abolition of forced labour for private employment and the limitation of compulsory labour for the Government and Native Authorities to well-defined works and services of public interest. Both measures were embodied in an international convention which demands, moreover, that workers recruited for such works and services should be remunerated.

There can be no doubt that, if this tendency to place a higher valuation on African labour is allowed to operate freely, a rise in wage rates will eventually follow.[1]

While the attitude to the internal development of tropical Africa may, on the whole, be accounted liberal, the policy governing the external trade of African countries has not been so broadminded. The open door policy, it is true, has been maintained since 1918 in the wide area in Central and Eastern Africa to which it applied by virtue of the Congo Basin Treaties, and a further smaller area was added by the B mandates; but the obligation concerning economic equality was given a much narrower interpretation in the Convention of St. Germain of 1919 which replaced the former treaties. Wherever international commitments did not stand in the way, discrimination against goods of foreign origin was applied to the import trade of African territories. Important treaties, viz., the relevant paragraphs of the British Treaty of Commerce with Japan of 1911 and the Anglo-French Niger Convention of 1898, were denounced—the former by Great Britain in 1934, the latter by France in 1936—in order to give to the respective colonial Powers a free hand in revising the trade policy of their West African dependencies. The main, if not the exclusive, object of these measures was to improve in these markets the position of manufactures of the mother country, especially of cotton and artificial silk goods.

Furthermore, the device of sheltering domestic industries by high import duties which had been applied on a considerable scale in the Union of South Africa from 1925, has also made

[1] The economic factors which operate towards improving the conditions of African workers have been more fully dealt with by the author in *Der südafrikanische Eingeborene als Industriearbeiter und als Stadtbewohner*, 1931, pp. 18 seq.

its appearance in tropical Africa, particularly in Kenya; since Tanganyika and Uganda are in a customs union with Kenya, they too have adopted a protectionist tariff.[1]

The policy of granting preferential terms to imports from the colonies, which was adopted by all the colonial Powers during the period, conferred benefits on the different colonies in a varying degree. To some of the principal African products—palm oil and palm kernels, cocoa, sisal—foreign markets have remained of outstanding importance. Access to these markets under favourable conditions is, therefore, an essential pre-requisite of economic progress and prosperity to the countries producing these commodities.

It is difficult to reconcile with this fact a colonial trade policy which tends to direct the external trade of the territories into narrow channels and inevitably raises the price of important goods to the mass of African consumers.[2] Such a policy seems to be particularly incompatible with the welfare and prosperity of a peasant society as envisaged in a number of territories.

There is some reason to assume that, looking further ahead, the relation between world prices of primary produce and manufactured goods respectively will continue to be unfavourable to the primary producer. If this view[3] is accepted in its general premises, though it may be applicable in varying degrees to different raw materials and countries, one of the principal objects of colonial economic policy should be to improve the position of the primary producer, viz., the African peasant, by every other practical means. This can be done, in the first place, by making manufactured articles available to him at the lowest possible price. Any other policy would prejudice still further his already disadvantageous position, and would slow down his material and cultural progress. Evolution towards a more diversified economy will likewise be impeded if the purchase of consumption goods absorbs income which, under a more liberal trade policy, might be converted into savings and used to improve the countries' economic equipment.

The economic background of the Mandates System thus displays a variety of conflicting tendencies. It remains to review the peculiar conditions under which the System was established.

[1] See chapter IX.

[2] The trade policy of African territories has been described in greater detail by the present author in a memorandum on *Trade Policy and Trade in Africa* written for the Royal Institute of International Affairs, 1941. (Available in mimeographed form.)

[3] Propounded with particular reference to colonial raw materials by Sir Hubert Henderson in *Colonies and Raw Materials*, Oxford Pamphlet on World Affairs, No. 7, Clarendon Press, 1939.

CHAPTER II

THE FRAMEWORK OF THE MANDATES SYSTEM: THE POLITICAL CONDITIONS UNDER WHICH IT WAS INAUGURATED

POLITICAL considerations were responsible for the establishment of the Mandates System and the manner in which it was introduced. It was adopted by the victorious Powers in 1919 as a politically expedient method of disposing of the colonial territories ceded by Germany.[1]

This origin of the Mandates System precluded consideration of whether the territories concerned were suitable testing grounds for a new form of colonial administration. Nevertheless, the territories placed under B mandate afford sufficient diversity of conditions to warrant a study of the effectiveness of various methods of colonial government in Africa. They consist of two West African territories, the Cameroons and Togoland, each divided into two parts under British and French mandate respectively; Tanganyika, an important East African country; and lastly, Ruanda-Urundi, two native sultanates in Central East Africa. The Cameroons and Togoland depend predominantly on the production of commercial and domestic crops by African peasants, while European enterprise is confined to a few plantations, mining on a small scale, and external trade. Tanganyika, on the other hand, not only affords considerable opportunity to native farming, it also offers scope to European enterprise and settlement in agriculture as well as in mining. It has, moreover, provided a fair number of openings for Asiatics. Ruanda-Urundi is a densely populated, mainly pastoral, mountainous country, where there was little European enterprise before the establishment of the Belgian mandate in 1924.

The selection of the mandatories was likewise predominantly, if not exclusively, determined by political factors. According to Article 22 of the Covenant, 'the tutelage of peoples not yet able to stand by themselves under the strenuous conditions of the modern world should be entrusted to advanced nations who, by reason of their resources, their experience, or their geographical position, can best undertake this responsibility.' It is clear that in the allocation actually made by the Supreme Council on 7th May, 1919, and later sanctioned by the Council of the League, these stipulations were observed to a varying degree.

If Great Britain and France are colonial Powers of long standing whose experience in the government of primitive populations is

[1] The present study is not concerned with the countries which were formerly under Turkish rule and were all put under A mandate.

beyond doubt, the same claim cannot be put forward on behalf of Belgium. Before 1914, the latter had had only six years' experience in the government of the Congo colony, that is, unless the Belgian people and Government are to be charged with the hardly creditable experiment of the administration of the Congo Free State. The Belgian mandate over Ruanda-Urundi is justified, as far as the Covenant is concerned, essentially by the same considerations as the C mandates allocated to South Africa, Australia, and New Zealand, as well as to Japan; that is to say, by the geographical position of the mandated territory—in the particular case of Ruanda-Urundi by the fact that it adjoins the Belgian Congo.[1]

If experience in overseas investment and capital resources were to be made the chief criterion for the selection of the mandatories, little fault is to be found with the allocation made in 1919. The fact that the three Powers are responsible for the government of vast colonial dependencies, apart from the mandated territories, has advantages as well as disadvantages from the point of view of the latter. They have undoubtedly profited from the services of a number of institutions, such as scientific research institutes, institutions for higher education, commercial agencies, etc., set up in the first place for the benefit of the colonial dependencies of the various Powers. Moreover, the pooling of experience in various fields is advantageous to all the constituent parts of a colonial empire.

On the other hand, a Power responsible for the administration and development of wide colonial territories may have difficulties in finding among its own nationals sufficient trained staff for each dependency. This will particularly be the case where the colonial native populations have not yet reached a stage at which they are capable of filling a considerable number of posts from their own ranks. One way of overcoming these difficulties would be to admit qualified persons of other nationalities than that of the governing Power to posts in colonial administration; so far, however, this has hardly been done.[2]

Even if the allocation of the mandated territories in Africa

[1] Actually, as is well known, Ruanda-Urundi was ceded by Great Britain, to whom the whole of the former colony of German East Africa had been allocated, in response to a Belgian protest claiming a portion of the territory conquered and held by Belgian troops at the end of the war. According to Professor Temperley, it was the one instance where 'extraneous considerations were allowed to dominate and the fate of the native populations was determined by factors which concerned them only very indirectly.' At the Peace Conference, 'the Belgian claim emphasized the fact that this area consisted of highlands devoted to the raising of cattle and suitable for white settlement which the Congo lacked.' A. W. H. Temperley, *A History of the Peace Conference of Paris*. Henry Frowde and Hodder and Stoughton. Vol. II, 1920, pp. 241 and 243.

[2] See chapter XV.

may be considered to conform in the main to the stipulations of Article 22, the political character of the settlement by which the Mandates System was introduced and its incorporation in the Peace Treaty precluded the system from being given as wide an application as would have seemed appropriate had the selection of territories been more scientific and detached. In that case it would hardly have been disputed that at least one country of each European Power ruling in tropical Africa should be included; that is to say, international supervision would have been extended not only to British, French, and Belgian rule, but to Portuguese, Italian, and Spanish rule as well. The system would thus have been tested within the framework of all the national policies under which European nations governed primitive peoples in tropical or sub-tropical Africa.

The close connection between the introduction of the Mandates System and the peace settlement had the further consequence that, quite apart from the selection of mandated territories and mandatories, the peace treaty determined in more than one way the framework in which the system was to operate. Some of its provisions tended to further the economic development of the territories and to facilitate the implementing of the stipulations of the mandates. Others put the mandated territories in a less favourable position than adjoining colonies, at least for the first few years.

One provision distinctly favourable to the reconstruction of the territories after the war was that under which the territories were taken over free of public debt, but with all the assets created from the proceeds of the loans which had been contracted by the Imperial German Government on behalf of the colonies. This meant that loans amounting to 241.6 million marks which had been spent on the development of the German colonies, particularly on the construction of railways, were wiped out as far as the territories were concerned.

The mandatory Administrations were, moreover, able to acquire, at what was hardly more than a nominal price, those railways which had been owned and operated by private companies and which had, therefore, become part of the German properties to be liquidated under the Peace Treaty. Thus Tanganyika became the owner of the Central Railway, the most important railway in the territory, for a cash payment of £33,995 to the Custodian of Enemy Property. The railway had been valued at £614,000;[1] even this valuation, which was made on 1st January, 1920, at a time when the railway was derelict and when the whole economic life of the territory was dislocated, represented only about 10

[1] Tanganyika Territory. Enemy Property Department. Report on the Liquidation, 1917–33. By the Custodian Ernest Adams. Dar es Salaam, 1933.

per cent. of the value as estimated by the German authorities.[1]

The French Administration of the Cameroons has never published the price at which it acquired the Northern Railway, which extended over 160 km. of mostly mountainous country and had, according to German statements, a capital value of 32 million marks.[2] But it has never repudiated the allegation by Professor Buell, that it paid the same price for the railway as for the other sequestrated properties which it had acquired on the strength of its right of pre-emption—that is to say, one franc.

The liquidation under the Peace Treaty of all German property rights had, moreover, created a situation which should have made it easy to implement the stipulation which established a priority claim of the native populations to the land in their respective territories. Starting with what was almost a clean slate as regards white settlement, the Administrations were given an opportunity to acquire land cheaply and restore it to native communities, wherever the extension of alienations to Europeans appeared to be incompatible with the unhampered development of the native people.

Actually this was done to any appreciable extent only in Tanganyika, where 12,000 ha. were restored to the natives. Even this must be considered as modest in view of the fact that the total area disposed of amounted to 479,154 ha. In the British Cameroons about 6,000 ha., situated in Cameroons Province, were re-acquired from the plantation owners and set aside for native settlement.[3]

In the territories under French mandate the area thus restored has never been stated; but in view of the low price paid, it cannot have been large, in spite of the emphasis laid by the authorities in their Reports on 'acts of restitution'.

A certain number of advanced and wealthy natives in the French Cameroons and French Togoland seem, however, to have acquired properties on their own account by bidding at the auctions—a case that does not appear to have occurred in Tanganyika. Several important plantations, particularly in French Togoland, have thus been transferred to natives, not so much as the result of a deliberate policy, as by force of circumstances.

In the Belgian mandated territory the question did not arise, because there had been no German estates apart from trading sites, administrative posts, and missionary property.

Another factor which gave the new Administrations a financial advantage at the outset was a great reduction in military expendi-

[1] W. Arning, *Deutsch-Ostafrika gestern und heute*, 1936, p. 362.

[2] A. Full, Kamerun. *Koloniale Rundschau*, Jahrgang, 1932, Sondernummer, p. 367.

[3] Annual Report of the Administration for 1933, Colonial, No. 99, H.M. Stationery Office.

ture as compared with the budgets of the German colonies. This was due, on the one hand, to the stipulation in Article 22 and in the mandates prohibiting the establishment of fortifications or military bases in the territories and the military training of the African inhabitants except for police duties and the defence of their territories. On the other hand, it was also due to the circumstance that for a considerable distance the frontiers of the territories were contiguous to those of colonies of the mandatory Powers. The need for defence measures was therefore relatively small, and a larger proportion of the revenue became available for welfare and development works. Actually this advantage was more potential than real, since the military expenditure of the German colonies had been met up to 1914 by grants from the Imperial exchequer.[1]

Against these favourable features must be set others which could not but have an unfavourable effect on the economic development of the territories and the welfare of the inhabitants at the beginning of the mandatory period.

All the German colonies in Africa had been theatres of war, and had suffered widespread damage through actual warfare as well as the loss of administrative property and public utility works destroyed by the German forces before their retreat and surrender. Even where there was no actual destruction, the war had seriously dislocated economic life and brought development to a standstill, since the military administrations established in the conquered areas during the war did no more than just carry on. Thus, although later on the Powers agreed, at the suggestion of the P.M.C., 'that expenses incurred owing to the war should be included under expenses borne by the mandatory Powers as participants in the war of 1914–1918, and only advances granted by mandatory Powers for admininstrative needs during the period of military occupation may justifiably be charged to the mandated territories',[2] the war left the territories in a state of devastation and arrested development which called for an active and vigorous policy of investment not readily available in all cases.

Initial difficulties, which the transfer to a new sovereignty would have engendered in any case, were increased by certain features of the peace settlement.

One of them was the time allowed to lapse before a definite settlement was reached as to the future of the colonies.

Although the former German colonies were in general allocated

[1] 'Die Finanzen der unter Mandatsverwaltung stehenden deutschen Schutzgebiete in Afrika vor und nach dem Kriege.' *Vierteljahrshefte zur Statistik des Deutschen Reichs.* 46. Jahrgang, 1937.

[2] Report by M. van Rees on 'Financial Obligations of the Mandated Territories to the Mandatory Powers'. Permanent Mandates Commission, 11th Session, 1927, Annex 3.

in such a way at the Peace Conference that each Power retained those territories which it had conquered and occupied, important areas changed hands as a result of bilateral negotiation.

It was even longer before the terms of the various mandates had been laid down and approved by the Council of the League of Nations. The Belgian mandate over Ruanda-Urundi was not approved by the Council until 31st August, 1923, and it was not ratified by the Belgian Parliament until 20th October, 1924.[1]

The return to normal economic activities was further delayed by the liquidation of German Government, as well as private, property under Articles 257 and 120 of the Versailles Treaty, the repatriation of all German nationals authorized by Article 122, and the difficulty of finding new owners for the vacated properties.

The economic instability of the immediate post-war period, as well as fears concerning the political future of the territories, proved most unfavourable to the disposal of these properties even at the low prices fixed by Government Commissions in the different territories. Consequently, some of the most important estates had to be administered under sequester for several years before they were finally disposed of, or were let only temporarily—a method which proved equally unsatisfactory. In Tanganyika, for instance, the more important sisal estates were let on a royalty basis by the Custodian, who experienced 'considerable difficulty in keeping contractors up to the mark in the performance of their obligations.'[2] No less than thirty-six auctions, the first on 15th January, 1920, the last on 20th July, 1928, were held before all the estates were finally disposed of.

The regulations issued in all the territories debarring German nationals from holding property for several years and even from residing there, excluded a group of potential buyers who would have been willing to re-acquire their former properties. This became evident when the British authorities in Tanganyika and the Cameroons re-admitted Germans in 1926, and allowed them to acquire land. In Tanganyika, a considerable portion, and in the Cameroons under British mandate about 96 per cent. of all the important plantations situated in Cameroons Province were bought back by Germans.

In the French territories, the policy of excluding Germans came to an end with the Franco-German Agreement of 30th October, 1926, but hardly any property in the French mandated territories was re-acquired by Germans.

[1] The Mandates System was in full operation in July, 1922, but the final demarcation of the frontiers of the territories which had been divided was not carried out until many years later. The demarcation between the British and French zones of the Cameroons, for instance, was begun in 1937 only, and was expected to take five years. P.M.C., 35th Session, 1938, p. 135.

[2] Report on the Liquidation, 1917–33, p. 3.

The elimination of Germans as property owners was extended to German missions (Article 438 of the Peace Treaty). Their property was, however, not liquidated and put up for auction like that of private owners; it had to be handed over to another mission of the same denomination which was willing to take up the work of the German missionaries interrupted by the war.

A change of this kind could not but affect adversely native development and welfare, as everyone will admit who is familiar with the civilizing work of missions—not only in the religious and educational, but also in the economic and medical fields. It was several years before missionary work, greatly dislocated by the war, could be resumed on its former scale. In the territories under British mandate, the German missions regained their former property and resumed their activities after some years. In the two territories under French mandate, the Roman Catholic mission stations remained in the hands of French missionary societies, while the former stations of the Baseler Mission were taken over partly by the French Protestant Mission, and partly by the American Presbyterian Mission which had been in the Cameroons since before the war. In Ruanda-Urundi, missionary activities suffered a definite setback because the Belgian Protestant Mission, which was called upon to replace the German Protestant Missions, had neither the staff nor the means to take over more than three of the nine vacated stations, while foreign Protestant missions found it difficult to obtain land.[1]

Apart from the direct effects of the war, perhaps the most critical feature of the peace settlement—from both the point of view of the welfare of the native population, and that of the general economy of the territories—was the partition of each of the territories between two Powers; viz., between Great Britain and France in the case of the Cameroons and Togoland, and between Great Britain and Belgium in the case of German East Africa.

The inevitable consequence was a certain dislocation of trade, a need for new trade routes and communications, and—in a few cases—grave inconvenience, and even hardship, to the inhabitants on both sides of the new frontiers.

The most serious case was the partition of the two West African territories into a British and a French zone. Lord Lugard, an unimpeachable authority, wrote of it: 'It is to be hoped that it is

[1] This led to a preponderance of Roman Catholic missions in the territory. Their position was, moreover, greatly strengthened by certain measures taken by the Administration. Thus the teaching at a Government school for the education of future chiefs and of native administrative staff was entrusted to priests of a Roman Catholic Order. The whole situation was viewed with grave misgivings by the P.M.C. which took up the complaints of Protestant missions unable to obtain land for new stations. P.M.C. 28th Session, 1935, p. 37, and 30th Session, 1936, p. 164.

the last occasion on which the conscience of Europe will permit the exchange of "possessions" in Africa as though they and their inhabitants were mere chattels for barter.'[1]

It is true that in some instances the administrative union of portions of the British mandated territories with adjoining districts of Nigeria and the Gold Coast respectively made it possible to reassemble, under one political rule, tribes which had been separated by the German-British frontier drawn twenty years earlier. There were, however, other cases in which the new frontier cut right across tribal units.

From the economic point of view, the fact that vital economic links were severed was more objectionable. The German Administration had developed the Cameroons and Togoland as economic entities; the railway and road systems, though still incomplete, had been constructed with a view to promoting internal exchange, and the various districts had become, therefore, to a large degree interdependent.

After the partition native farmers living in what became French Togoland were cut off from their farms on the other side of the frontier, and only after protracted negotiation was a satisfactory solution effected whereby they were enabled to transport their cocoa via Lomé, the French port, under the same conditions as cocoa grown in the French mandated territory.

Another difficulty arose from the fact that in both British Cameroons and Togoland plantations and farms which had been the principal employers were cut off from their main source of labour supply in French mandated territory. The French Administration imposed a charge on natives migrating temporarily to take up work outside the French Cameroons;[2] and the owners of the plantations in British mandated territory tended, for their part, to obtain more and more labour locally.

The cattle-owning tribes in the northern districts of the British Cameroons found themselves cut off from the pastures to which they had been accustomed to drive their cattle, and though the French authorities allowed them to continue the practice, they had to pay a cattle tax of 3 francs per head of cattle in addition to the taxes imposed by the British authorities.[3]

The most serious economic consequence of partition was, however, that almost all the external trade of the territories had to find new channels.

The greatest difficulty arose in Togoland where Lomé, the only outlet to the sea, is in French mandated territory, whilst the

[1] *The Dual Mandate in British Tropical Africa*, p. 54.

[2] They had to obtain a passport for 25 francs and also to deposit a sum of 500 francs with the French authorities.

[3] That is to say, General Tax plus Jangali, a cattle tax of 1*s*. or 2*s*. per head of cattle.

principal cocoa-producing areas are in British mandated territory. Palimé, the head of the railway connecting these districts with Lomé, is also in French territory. The French authorities did everything they could to encourage the trade to and from the British mandated territory on which the revenue of the railway as well as that of the port of Lomé mainly depended. They even went so far as to extend to produce from the British zone, within a certain quota, the preferential customs treatment accorded in France to produce from French colonial dependencies. Regulations as to identifying its origin had, however, to be laid down, and for a while they were so complicated as to be far beyond the comprehension of the native cocoa farmer.

The British authorities, on the other hand, were naturally interested in diverting the trade, especially from the more developed southern portion of the territory, towards the Gold Coast where Accra offered a convenient port for exports, consisting almost entirely of cocoa,[1] and for imports.

In the Cameroons, the partition of the former German colony did not necessitate so great a re-orientation of trade. But the slow rate of development of the northern districts of the British Cameroons must be attributed, at least in part, to their separation from the adjoining French zone with which they had formed an economic entity. Although these rather scattered parts of the British mandated territory have been united administratively with adjoining districts of Nigeria, they have not been integrated into the economic system of that country to the same extent as have parts of Togoland into the Gold Coast.

The economic life of Ruanda-Urundi which had tended towards Tanganyika and the Indian Ocean had to find re-orientation towards the Belgian Congo and the Atlantic.

Partition necessitated, moreover, expenditure for the construction of new trade routes; some of the capital invested by the former Administration in railways and roads became unremunerative. To this must be added the cost incurred by the demarcation of the new frontiers—a large proportion of which was charged to the budgets of the mandated territories—and the high cost of the customs service on the land frontiers.

Although releasing the new Administrations from certain obligations, the peace settlement thus entailed heavy liabilities which retarded economic recovery, placed additional burdens on the revenue of the territories, and caused hardship to sections of the native peoples.

All these liabilities sprang from *one* cause: the political origin

[1] Imperial preference accorded to cocoa from British dependencies could not be extended to produce from the mandated territory, so long as it was exported from a non-British port. P.M.C., 6th Session, 1925, p. 110.

of the Mandates System. It determined not only the selection and allocation of the mandated territories, but was also responsible for certain features of the individual mandates and, up to a point, the composition of the Mandates Commission. All this leads to one general conclusion: the progress and well-being of the native peoples must necessarily suffer if their promotion is made incidental to the pursuance of political aims outside the concern of African territories and their native inhabitants. It is seriously to be hoped that this will be borne in mind when the time comes for a new settlement of African affairs.

II. THE WORKING OF THE MANDATES SYSTEM IN TANGANYIKA

CHAPTER III

THE COUNTRY AND THE PEOPLE

TANGANYIKA is, in more than one respect, the most important and most interesting of all the territories under B mandate. It has the largest area—342,000 square miles—the biggest and most varied population—5,250,000—the widest range of climatic conditions, and the most diversified production. Several of these factors are closely inter-related. The Highlands in the north, north-east, and south-west have proved suitable for European settlement and scientific cultivation of crops, such as coffee, maize, and tea; in the lower regions near the coast sisal plantations are among the most successful enterprises of East Africa. This diversity of opportunities accounts for a relatively numerous population of European extraction, while for centuries the situation of the country—bordering on the Indian Ocean—has attracted Asiatics—Arabs, Indians, and Goans.

The discovery in recent years of mineral resources, particularly gold, has proved a further attraction to different nationalities and races.

In spite of the important contribution to the development and material prosperity of the territory non-Africans have made, 'Tanganyika is', according to an official Report,[1] 'a Native African territory, not merely in the sense of the mandate which gives precedence to the needs and aspirations, actual and potential, of the native inhabitants, but still more in the sense that the economy of the territory is predominantly native African.'

This is manifested in the most striking manner by the numbers of the various racial communities which make up the population of Tanganyika. At the end of 1938, its racial composition was as follows:[2]

Native	5,214,800
Asiatic	33,784
European	9,345
Total ...	5,257,929

[1] Sir Sidney Armitage-Smith, *Report on a Financial Mission to Tanganyika* Cmd. 4182, 1932, p. 16.

[2] Figures of the Native and non-Native censuses of 1931 supplemented by estimates for subsequent years. Report of the Administration for 1938. Colonial No. 165, pp. 165 seq.

Non-Africans thus account for less than 1 per cent. of the total population.

An outstanding feature is the very uneven geographical distribution of the population. The density varies from 111.5 per square mile in the Rungwe District in the south-west to 1.7 per square mile in the Masai District on the Kenya border, the average density being 13.7 per square mile. Two-thirds of the population live in one-tenth of the area; two-thirds of the country are uninhabited.[1] This is due to lack of permanent water—a fact which greatly reduces the natural fertility of the country—and to the tsetse fly, which has rendered large tracts of land uninhabitable. Whilst its area is somewhat larger than that of Nigeria, Tanganyika has only about one-fourth of the population of that country.

The uneven distribution of the population means congestion in the most densely populated areas, not only of human beings, but also of live-stock, with the concurrent dangers of soil erosion and exhaustion of pastures. The long stretches of sparsely populated or uninhabited land which separate the areas of close settlement present, moreover, particular difficulties from the point of view of opening up the country by rail and road. In the opinion of Gillman, the railways have, however, been well planned, and 'the Central railway from Dar es Salaam to Lake Tanganyika'—built by the German Administration—'connects more areas of closer settlement than any other feasible route between coast and lake.'[2]

According to German official sources, the native population numbered approximately 4,150,000 in 1913.[3] This means that there has been an increase of almost one million between 1913 and 1931 when the census recorded the native inhabitants at 5,022,640.[4] Even if part of the increase is attributable to improved statistical methods, the view that the African population is steadily increasing—expressed in the Census Report of 1931—may be regarded as correct.

The Asiatics, the largest non-African community in the territory, show a remarkable increase, most of which has taken place since the establishment of the mandate:

[1] Clement Gillman, *A Population Map of Tanganyika Territory*, 1936, Colonial No. 113, p. 197.

[2] *The Geographical Review*, July, 1936, p. 372.

[3] *Vierteljahrshefte zur Statistik des Deutschen Reichs*, loc. cit. The population of the whole German colony is estimated for 1915 at 7,645,000; of these, 3,600,000 were assumed to live in the present Belgian Mandated Territory.

[4] Census of the Native Population of Tanganyika Territory, 1931–32.

Nationality	1913[1]	1921	1931 Actual	1931 Indices (1913=100)
Indians ...	... 8,698	9,411	23,422	269
Arabs ...	... 4,049	4,041	7,059	174
Goans ...	... 653	798	1,722	264
Ceylonese	... 72	—	15	21
Total ...	... 13,472	14,250	32,218	239

At the end of 1938,[2] the Asiatic population was estimated at 33,784. The outstanding feature in the post-war period is the increase in the Indian community. Amongst Asiatics, they alone constitute a factor of political and economic importance in the territory.

The figures for the European community, as disclosed by the various censuses, are as follows:

Nationality	1913[3]	1921	1931	1938[2],
German	4,028	—	2,149	3,205
British	90	1,598	2,894	4,954
South African and Colonial	321		1,117	
Others	759	849	2,068	2,086
Total ...	5,198	2,447	8,228	9,345

These figures show clearly that the European population, which declined heavily during the last war, was considerably higher in 1931—and even more in 1938—than in 1913. At the same time, the composition of the white community has undergone significant changes. In 1913 as in 1938 the number of nationalities represented was over twenty. In 1913, however, about four-fifths of the white inhabitants belonged to the ruling nationality. In 1938, on the other hand, only 47 per cent. were British, and this figure includes South-African Dutch, of whom approximately 300 had settled in the territory even before the last war. According to the census of 1931, the percentage of British from the United Kingdom amongst Europeans was 35.1. By far the most numerous non-British community in 1931, as well as in 1938,

[1] *Die deutschen Schutzgebiete in Afrika und der Südsee*, 1912–13, Statistischer Teil, pp. 38–39.

[2] Annual Report for 1938, Colonial No. 165, pp. 165 *seq.*

[3] Excluding figures for Ruanda-Urundi. See *Die deutschen Schutzgebiete in Afrika und der Südsee*, 1912–13, Statistischer Teil, p. 12.

were the Germans; they accounted for 26.1 per cent. of the total white population in 1931, and for over a third in 1938.

The fact that British nationals, although still the biggest individual white community,[1] are in a relative minority, appears to point to a difference not only between German and British colonial rule, but even more between British mandatory and British colonial administration proper. In Kenya, where natural conditions affecting the composition of the European section of the inhabitants come nearest to those of Tanganyika, 92.3 per cent. of the white community of approximately 17,000 was British in 1938.[2]

No figures of European immigration, grouped according to nationalities, and no emigration statistics whatever are published in Tanganyika. It is thus impossible to check estimates of changes in the population which have occurred in the intervals between the census reports, or to form an impression as to whether there is any variation in the degree of permanence of residence in the territory between the different nationalities. This is a deplorable lack of information on a subject of considerable significance, and it is rather surprising that the P.M.C. has not been able to extract material on the point.

The various racial communities occupy a distinct position—even though not immune from modification—in the economic life of the territory.

The contribution of the five-and-a-quarter million Africans consists in:—

(a) The production of their own food;

(b) The cultivation of foodstuffs for the internal market, especially of the rations of native workers on European estates, in the towns and in mining districts;

(c) The production of commercial crops, and of hides and skins for export;

(d) The provision of a labour force for non-African, particularly European, enterprise; and for public works and other Government services.

Of these various activities, the production of foodstuffs is no doubt the most important, not only because it represents the main pursuit of the bulk of the native population, but also because it makes the country self-sufficient in food in normal years.

The Indians, by far the most important Asiatic community, are 'overwhelmingly commercial; Government servants and artisans making up most of the balance.'[3] They predominate

[1] Even this, however, is doubtful judging by the estimates of the last few years.
[2] Kenya. Annual Report for 1938, p. 8.
[3] Report on the non-Native Census, 1931. Preface.

in the retail trade, act as middlemen between exporters and native producers, are owners or managers of some of the chief importing and exporting firms, and occupy third place among the non-African communities holding agricultural land.

It is likely that the considerable increase in Indian immigration in the post-war period has been encouraged by the stipulation of the mandate forbidding discriminatory measures with regard to both immigration and settlement against nationals of Member States of the League. Since India is a Member State, this applies to her nationals. It must not be overlooked, however, that in other East African territories the Indian population has increased even more.

Number of Indians.

Country	1911	1921	1931 *Actual*	1931 *Indices* (1911=100)
Kenya ...	10,651	22,822	39,644	372
Uganda ...	1,904	5,032	13.026	684
Tanganyika ...	8,695 (1913)	9,411	23,422	269

It may be concluded from these figures that, in the first place, Indians followed openings in trade, particularly the retail trade and as middlemen. Such openings sprang up everywhere where the growing of commercial crops increased native purchasing power, most of all in Uganda.[1]

The occupational distribution of the European inhabitants of Tanganyika is shown in the following table. The figures refer to the adult male population only.[2]

Occupation of Europeans in Tanganyika

	1913	1921	1931
Persons engaged ...	3,536	1,483	4,480
	Percentage	Percentage	Percentage
Public Administration and Defence	21	41	24
Agriculture	25	19	24
Commercial ...	15	10	10
Professional ...	14	22	16
Technical (Artisans, Contractors, etc.)	20	Not taken	11
Other or nil ...	5	8	15

[1] A greater proportion of the increase was probably due to Indian births in Kenya where the Indian community has been established longer than in the two other territories.

[2] Census Reports of 1913, 1921 and 1931. Of adult females, in 1913, 70 per cent were married or without occupation, 20 per cent were in professional occupations, chiefly missionary and medical work, the rest in domestic or clerical posts, or in agriculture.

Notable features are the increase, actual and proportional, of administrative personnel as compared with 1913, and further, the equal proportion accounted for in 1931 by administration and defence, on the one hand, and agriculture, on the other.

No attempt has been made to classify the various occupations according to nationalities. Since about half of the British nationals (counting only those from the United Kingdom) are covered by 'Administration and Defence', it follows that non-British outnumber British Europeans in non-official occupations.

CHAPTER IV

THE LAND: ITS LAW AND DISTRIBUTION

1. PROTECTION OF NATIVE INTERESTS

THERE is no need to emphasize the outstanding importance of the policy applied to the land of a colonial territory, both from the point of view of general development and the evolution and welfare of native society. It would be vital, even if the mandate did not postulate, that 'in the framing of laws relating to the holding or transfer of land, the Mandatory shall take into consideration native laws and customs, and shall respect the rights and safeguard the interests of the native population.'

The legal implementation of this obligation is the Tanganyika Land Ordinance of 1923 (ch. 68). By it 'the whole of the lands in the Territory are declared to be public lands under the control and subject to the disposition of the Governor to be held and administered for the use and common benefit, direct or indirect, of the natives of the Territory, but the validity of any title to land or interest therein lawfully acquired before the date of the Ordinance is not affected thereby.'

The practical significance of this enactment is, first: that there are no native reserves; in other words, the natives are not confined to any particular areas, however generously defined, and the Government is bound, in disposing of land to non-Africans, to consider the present and future needs of native communities.

It means, secondly, that titles to land acquired before the enactment of the Ordinance were left intact, and that further alienations to non-Africans are not precluded.

As a result of this dual policy, allowing the country to be developed by natives as well as non-natives, the land of the territory used for agricultural purposes is divided into two sections, not only unequal in size, but also governed, at present, by fundamentally different legal systems.

This chapter will deal exclusively with non-African settlement, whilst African land tenure will be discussed in connection with the problems of native agriculture.[1]

2. POLICY AND RESULTS OF NON-AFRICAN SETTLEMENT

If it is true, in general, that policies once imposed on a colonial country leave a mark with which succeeding Administrations have to reckon, this applies with particular force to land policy.

[1] See chapter V.

A certain amount of white settlement is almost universally considered advantageous, because it helps to develop a country's resources, attracts capital, acts as an educational factor in relation to native methods of cultivation, and increases the wealth and tax-paying capacity of the population, native and non-native.

The German Government had pursued a fairly vigorous policy of European settlement, particularly in the north-east of German East Africa on the slopes of Kilimanjaro and Meru. Altogether the area alienated amounted to 542,124 ha. in 1913; only 106,292 ha. of this area, however, had been cultivated, and not more than 56,753 ha. carried crops.[1]

Although the promotion of white settlement constituted one of the professed aims of German colonial policy, a slackening in this policy took place from 1911 onwards, particularly in the area where plantations had been established longest, and two districts —Tanga and Wilhelmstal—had been closed to further alienations when the war broke out.[2]

This relatively advanced stage of white settlement could not be ignored by the new Administration, because a wholesale handing over to natives of land formerly owned by German planters would have been equivalent to the destruction of the results of many years of spade work, and of considerable investments. This applied particularly to the sisal plantations which had been successfully established from 1893 onwards in the Tanga Province and further along the coast.[3]

These considerations were undoubtedly responsible for the regulations of the Peace Treaty. While liquidating all property owned by Germans, they did not pledge the mandatory Government to hand back land to the natives, apart from the general provision of the mandate designed to safeguard native interests in land. Actually, the mandatory Government used its power of pre-emption to retain 92 out of a total of 1,000 properties which were disposed of by the Custodian.[4] Restitution of land to native

[1] *Die deutschen Schutzgebiete in Afrika und der Südsee*, 1912–13, pp. 83–84. The fact that Ruanda-Urundi formed part of the German colony does not necessitate any rectification of figures, since very little land had been alienated, and none for agricultural settlement, in what is now the Belgian Mandated Territory.

[2] *Ibid*, p. 23.

[3] The plantations were mostly under German ownership, otherwise the settlers' community was far from homogeneous; in the Kilimanjaro and Meru area, especially, South African Dutch, Italians, Greeks, Austrians, and Russians of German extraction were to be found besides Germans from the Reich; most of these were settled in nationally uniform communities and mixed little with each other. The whole policy of white settlement was, however, still in an experimental stage, and some of the settlers, particularly the Russians of German extraction, proved unsuitable and gave up after a few years. See v. Lindequist: *Britisch-und Deutsch-Ostafrika als Siedlungsland für Europäer. Schriften des Vereins für Sozialpolitik.* 147. Band, 1912, p. 71.

[4] Report on Land Development for 1929.

communities was made in the congested northern area, where some derelict plantations and undeveloped estates—altogether 12,000 ha.—were purchased and made available for native requirements.[1]

Moreover, the right to convert leasehold into freehold, which was attached to most titles derived from the German Government, was upheld under the Land Ordinance of 1923, and a great many landholders took advantage of this option.

The mandatory Power, by accepting the administration of the territory under the terms of the mandate and explicitly in several authoritative statements, has recognized the predominant claim of the native population to the land of the territory. At the same time, pronouncements, made on various occasions by leading officials in Tanganyika, make it evident that opinions in responsible quarters vary, if not in substance, at least in emphasis, as to the desirability of non-African enterprise and settlement.

Sir Donald Cameron, appearing before the P.M.C. as Governor of Tanganyika in 1927, declared with reference to land which had been alienated under the mandate: 'This land has been alienated, at all events from my point of view, in spite of the fact that Tanganyika is a country in which the interests of the natives are dominant and should remain dominant. We are proceeding on the basis that the European is the experimental factor and not the native',[2] and he denied all intentions to create large blocks of white settlement in Tanganyika.

He expressed, moreover, a very pessimistic view about the future of white settlement before the Joint Select Committee on Closer Union in East Africa,[3] when he stated: 'I regard Tanganyika as an extremely cruel country, and so long as I have breath in my body and can encourage and discourage people, I shall certainly not encourage even my worst enemy to go out and farm in Tanganyika, unless he can do so on a very large scale with plenty of capital behind him, and work on plantation lines.'

In his memoirs,[4] Sir Donald takes, however, a much more favourable view of white enterprise, and makes it clear that he does not think it in the best interest of Tanganyika to discourage Europeans from settling there. But there is no future, in his opinion, for the small white farmer without an adequate independent income.

A cautious, but positive, view of white settlement was expressed in 1930 by the Chief Secretary, Mr. Jardine, before the P.M.C. According to him, no policy of intensive settlement, such as in

[1] Annual Report for 1922, p. 26.—P.M.C. 3rd Session, 1923, p. 145.
[2] P.M.C. 11th Session, 1927, p. 65.
[3] 1931 (29) Vol. II, Minutes of Evidence, p. 184.
[4] Sir Donald Cameron, *My Tanganyika Service*. Allen and Unwin, 1939, pp. 39 seq.

Kenya, was intended, but it was the aim of the Government 'to encourage non-native settlement in suitable areas from which produce can be conveniently evacuated when these areas are not required by the natives for their present or future needs.'[1]

The measures taken by the Administration to control the alienation of land to non-Africans, must be examined with a view to, first, the conditions laid down for the alienation of land, and, second, the selection and limitation of the land thrown open to non-African settlement and enterprise.

All grants in land under the Land Ordinance of 1923 are to be made in leasehold, in contrast to titles acquired under the German Administration, and the rights of occupancy must in no case exceed 99 years; in general, the period laid down is 33 years for land on which specific annual crops are grown, and 99 years in the case of general agriculture. Except with the approval of the Secretary of State, no single grant may exceed 5,000 acres. All rents are to be revised at intervals of not more than 33 years.

The restriction of new titles to leasehold as well as the provision of a periodic revision of rents is applied in other British colonial territories as the recognized method of securing to the community a share in a rise in land values largely due to public works and the general development of the country. The same object was attained in most German colonies by a special tax on the increase in land values which was ascertained periodically.

As a German author, the late Professor Köbner,[2] rightly points out, this divergence in methods demonstrates in a striking way the influence which the legal and social traditions of the mother country exercise in framing colonial policy. The granting of titles in land, predominantly in leasehold, was practicable in British colonies because this kind of land tenure was familiar to the would-be British farmer and investor.[3] In Germany, however, where by far the greater part of agricultural land is held in freehold, the exclusion of freehold titles from the colonies could not recommend itself to the authorities, because it would have been difficult to win the confidence of German settlers and capitalists.

The methods by which land declared open for non-native settlement was sold were modified after the first years of the mandate. At first, land was chosen by the purchasers themselves in a haphazard way; since 1928 the Government, having come to the conclusion that an economic use of the land could not be ensured in that way, from time to time put up to auction land believed to be suitable for non-native settlement.

[1] P.M.C. 18th Session, 1930, p. 28.

[2] *Einführung in die Kolonialpolitik*, 1908.

[3] The practice of granting land in leasehold varies, however, in British dependencies. In Kenya, for instance, some grants of land for agricultural purposes have been made for 999 years.

Following the example of its German predecessor, the British Administration declared in 1923 certain districts closed to further alienations apart from exceptional cases; these districts were situated in the Central, Northern, Tanga, and Mahenge Provinces, that is to say, apart from the last named, all areas where non-native settlement was already far advanced. In 1930, the Central, Lindi,[1] Tabora,[1] Mwanza,[2] and Bukoba[2] Provinces were equally closed to non-natives for agricultural purposes, 'unless applicants could prove that they were in command of sufficient capital to undertake operations on an adequate scale, especially with water supplies.' According to the Official Notice 'this decision was taken on the broad ground that it is not in the interests of the Territory that non-natives should occupy land in what are primarily native areas, unless there is sound reason for believing that they will assist in the task of promoting the prosperity and well-being of the country.'[3]

Several further areas were declared congested and closed to non-native settlement apart from grants made with the express sanction of the Colonial Office. This measure resulted from the work of the Land Development Survey. This latter was undertaken at the recommendation of the Hilton Young Commission,[4] which had suggested a comprehensive survey of the countries of East and Central Africa and of their existing populations as the foundation of a well-planned settlement policy. The result of the survey was laid down in five reports published between 1929 and 1932. The principal areas where land was found to be available for further alienation were two districts in the Eastern Province, where 7,705 square miles out of 12,776 square miles were deemed to be alienable, and 637 square miles in the Iringa (now Southern Highlands) Province.

The author of the survey report on that part of the country pointed out, however, that even if land could be made available for altogether 170 mixed and pastoral farms and 400 tea or coffee plantations, there was no prospect of obtaining from the local population the necessary labour force. In view of the natives' growing inclination to produce commercial crops on their own land, labour shortage would, if anything, increase, 'unless the profits of European agriculture are large enough to enable employers to make employment tempting', an object which might be within the compass of plantations producing high-priced coffee and tea, but not within that of the average farmer.

[1] Now parts of the Eastern, Southern and Western Provinces respectively.

[2] Now united as 'Lake Province'.

[3] 'Memorandum on the Closing of Land in Tanganyika Territory to Alienation.' Annual Report of the Administration for 1938 (Colonial No. 165) Appendix III.

[4] *Commission on Closer Union of the Dependencies in Eastern and Central Africa.* Cmd. 3234, 1929, p. 54.

The same point was stressed in a Report on 'Tea Cultivation' by Mr. Harold Mann.[1] Actually, labour problems seem not to have proved unsurmountable to settlers who have established tea plantations in the Southern Highlands.

The area alienated for non-native holdings of agricultural and pastoral land amounted to 2,118,942 acres at the end of 1938.[2] This, though less than 1 per cent. of the total land of the territory, was the highest figure so far attained and compared with an area of 1,339,643 acres in 1913.[3] In other words, the area taken up by non-native agricultural holdings has increased under the mandate by more than half of the land occupied by non-natives in 1914. The two figures, are, however, not strictly comparable.

The progress was not distributed evenly over the whole mandatory period. The total area of alienated land advanced steadily up to 1930, when the acreage of holdings reached a peak figure of 2,013,097; after 1930, the economic depression caused a drop in the demand for land as well as an increase of surrenders; as a result, the area alienated declined until 1935. Since then the demand for land has risen again steadily. In 1937 alone 155,793 acres were alienated. This high figure is due to one single alienation of 110,000 acres—an area granted to Lord Chesham for agricultural settlement in the Southern Highlands Province; the scheme provides for the subdivision of the whole area into 130 farms of 700 to 1,000 acres each.

The number of holdings shows a somewhat different development. Amounting to 2,070 in 1930, it rose steadily from year to year until, with 2,317 in 1935, it reached the highest figure so far attained; in other words, whilst the extension of the area declined, *the number of holdings increased simultaneously*. This heterogeneous development reflects the device, adopted as a measure of meeting the depression, of dividing large properties. From 1936 to 1938 when the alienated area increased considerably, the number of holdings fell; it was 2,096 on 31st December, 1938.

The influence on the number and size of holdings of the use to which the land is put, is clearly revealed by an examination of the principal areas of non-native agriculture as shown in Table A1. Non-native agricultural enterprise is, on the whole, concentrated in four of the eight provinces of Tanganyika: the Eastern, Northern, Southern Highlands, and Tanga Provinces, with a much smaller area in the Southern Province. The latter is also a principal area of labour supply to the sisal plantations in the Tanga Province; the Lake, Central, and Western Provinces, while

[1] *Report on Tea Cultivation in the Tanganyika Territory and its Development*, Dar es Salaam, 1933.

[2] Department of Lands and Mines. Report for 1938, p. 30.

[3] *Die deutschen Schutzgebiete in Afrika und der Südsee*, 1912–13, Statistischer Teil, p. 82.

likewise supplying labour for plantations and mines, are the main areas of native agriculture.

In the Eastern and Northern Provinces, where the average size of the holding is below the average in the principal areas of European settlement, the alienated land is mainly used for coffee growing, the cultivation of cotton and farming. In the Tanga Province, on the other hand, most of the land is taken up by sisal estates. This Province has not only the largest alienated area, but also the largest area held in freehold, owing to the fact that most of the plantations are held under titles issued by the German Government.

Alienations in the Southern Highlands Province and, to a lesser extent, in the Southern Province, date mainly from the mandatory period. In contrast to the areas of older settlement, most of the alienated land in the Southern Highlands Province is held in leasehold. The economic character of the Province varies, tea and coffee plantations forming the principal agricultural pursuits of non-natives in addition to farming. The latter has been greatly stimulated by the development of the Lupa Goldfield which has changed the whole economic structure of the Province, and it may well be expected that agricultural progress will be mainly in this direction, as is indicated by the Chesham Scheme mentioned above.[1]

As compared to conditions before 1914, the average holding has become much smaller. It was 1,895 acres in 1913, but only 1,012 acres in 1938, or 1,248 acres, if Indian, Goan, and missionary holdings, which were not included in the German figure, are deducted. The 1938 figure errs on the large side, however, since it includes as a single holding the Chesham Concession.

Several factors are probably responsible for this reduction in the average size of the holding. The most general factor was the tendency, frequently observed in the history of colonization, towards adjusting the size of holdings to that demanded by the most rational use of the land, while usually, at the beginning, pieces of land are cut out, proving later too large for reasonable utilization by the individual farmer or planter.[2]

Another factor which operated in the same direction was the fact that, apart from the extension of sisal plantations, most of the land alienated in the period of the mandate has been put to uses

[1] *See* Lord Chesham, 'Settlement in Tanganyika' *Journal of the Royal African Society*, April, 1938, p. 184. The Chesham Concession is responsible for the relatively large average size of the holding in this Province; without it, the average would be 910 acres which expresses more accurately the economic character of the Province where small and medium-sized plantations and farms predominate.

[2] The process is called in German 'Ausbaukolonisation'. That it has been a prominent factor in reducing the average size of holdings in Tanganyika, is pointed out by C. Troll, *Das deutsche Kolonialproblem*, 1935, p. 35.

which may be carried on in smaller units of management, such as farming and the planting of coffee, tea, and tobacco. The disappearance of rubber plantations which were among the largest European estates before 1914, may also have helped to reduce the average acreage of holdings, although most of the land formerly planted with rubber has been transformed into sisal plantations.

Another feature of interest is the composition of the landholding community according to the national origin of its members.

In 1938, 1,690 holdings—that is, all holdings in private occupation apart from those occupied by missions—were held by persons representing sixteen different nationalities,[1] a figure which makes it evident that the stipulation of the mandate demanding economic equality in relation to immigration and settlement has been observed.

However, four nationalities shared between them almost 90 per cent. of the total land alienated for agricultural purposes—British, British Indians, Germans, and Greeks. Several important facts are disclosed by Table A 2 which gives for two years—1930, when the area of alienated land reached the highest figure before the depression, and 1938, when a new record was attained—the number and extension of holdings of the principal landholding communities. In 1930, as in 1938, British landholders occupied the highest percentage of land; their share remained, moreover, almost unchanged between the two years.

Although the proportion of holdings occupied by British landholders was, even in 1930, lower than their share of the acreage, they nevertheless headed the list in 1930 with 30.2 per cent. of all holdings; in 1938, however, their share in the number of holdings had declined to 26 per cent.; the biggest number of holdings, 32.8 per cent., was occupied by Germans who, in 1930, had accounted only for 21.8 per cent. of the holdings. The German man share of the acreage had, on the other hand, risen from 20.1 per cent. to 23.5 per cent. only of the total alienated land. In actual figures, the area occupied by Germans shows a considerable increase between the two years—from 389,609 acres in 1930, to 476,351 acres in 1938. The share of British Indians, on the other hand, shows a decline in the percentage as well as in the actual figure of the acreage; the same applies to land held by Greeks. These figures bear out the fact that land, which had been liquidated under the Peace Treaty and later acquired by Indians and Greeks, has to a large extent been bought back by Germans.

Another nationality which has considerably increased its share is the Swiss. In 1930, five holdings of 6,617 acres were in Swiss hands; the corresponding figures in 1938 were fifteen

[1] Actually more, since one item comprises 'other' holdings.

holdings and 59,903 acres. The large average size of Swiss holdings is due to the fact that some of the biggest sisal estates are in Swiss ownership. South Africans held, in 1938, almost the same area as the Swiss, but it was divided up into fifty-one holdings averaging 1,116 acres as against 1,508 in 1930.

The average size of the holding in relation to the nationality of the occupier represents another significant feature.

Most striking is the considerable difference in the average size of British and German holdings respectively. Even if the Chesham Concession, which inflates the British figure for 1938, is left out of account, the average British holding in that year was still 1,544 acres—almost twice as large as the average German holding. The latter had the lowest size of all European holdings in 1938 apart from those occupied by Italians.[1]

The majority of holdings recently acquired by Germans are situated in the Southern Highlands Province, on land not formerly in European occupation; it has been put to uses—tea and coffee planting, mixed farming, tobacco growing—which do not necessarily require large areas. British plantations and farms established in the same Province are, however, in general larger, and it may well be questioned whether the size of some of the German holdings is not below that considered necessary for successful European settlement under the conditions prevailing in the territory. The relatively small average size of the German holding, and particularly its reduction since 1930, reflects the fact that a fair number of Germans with small means have settled recently in Tanganyika and points to the danger of a class of poor whites making its appearance. This would be in contrast to the avowed policy of the Government which, as stated by the Chief Secretary, Mr. Jardine, in 1930, was determined to prevent the emergence of such a class.

This raises the wider issue of the method by which settlers are selected. The vital question is whether the stipulations of the mandate and the regulations issued by the Government with a view to their implementation leave the Administration with sufficient control over the selection of settlers, the quality of whom, according to the Hilton Young Commission, is 'almost as important to the Government as the quality of its own officials.'[2]

The stipulation of the mandate demanding equal treatment for the nationals of all Member States of the League has so far been interpreted as excluding any financial assistance to be given to persons considered suitable as settlers, but without sufficient means of their own. It is doubtful whether the generally accepted interpretation of the mandate, i.e. of the priority of native inter-

[1] The nineteen Italian holdings had an average size of 694 acres.
[2] Cmd. 3234, p. 53.

ests, would have allowed such a policy. But even assuming this, such assistance would be compatible with the economic equality clause only if made available without discrimination according to nationality, at least between nationals of Member States of the League.

Quite apart from the great difficulty of avoiding the reproach of discrimination, which might be levelled by unsuccessful applicants or their political spokesmen, the means for such assistance, under the present state of affairs, would have to come from the mandatory Power, and it is unlikely that the latter would be willing to incur expenditure on the settlement of nationals of other countries. Help, restricted in substance, if not in law, to its nationals, would almost certainly be considered a violation of the terms of the mandate. In deference to the latter, the British Government has, therefore, refused to follow the recommendations of a local committee suggesting that the Imperial Government should give to intending British settlers in Tanganyika the same help as is granted in similar cases for settlement in Kenya, by way of loans, reduced fares and maintenance allowance for the first six months of residence in the territory. The Committee expressed the view that, with equal treatment of non-British applicants on the spot, such help given in the mother country to its own nationals on the point of emigration to Tanganyika would constitute no contravention of the mandate.[1]

It is unlikely that this opinion would have been shared by the P.M.C. and the Council of the League. The question, however, whether a fund from international sources might be established with a view to giving financial assistance to suitable persons of various nationalities intending to settle in a mandated territory, is one well worth considering should a development of the Mandates System towards a more international character be envisaged. It must be realized, however, that a great number of nationalities among settlers adds undoubtedly to the difficulties and expenditure of the Administration and may not be altogether desirable from the point of view of the territories. Some of these difficulties can be reduced by settling immigrants in nationally homogeneous areas, a development which usually occurs without Governmental intervention.[2]

But far more serious than the problem arising from the nationally diversified character of the non-native section—which is to be

[1] Report of a Committee on Land Development and the Provision of Financial Assistance to Settlers and Planters. Tanganyika Legislative Council, 1930.

[2] This is, for instance, the case in the Northern Province of Tanganyika; whilst the coffee plantations in the Moshi District have nearly all returned to German hands, those in the Arusha District are mostly British-owned. Similar divisions are to be found in the more recent areas of white settlement of the Southern Highlands Province.

found in many colonial countries—is the question whether the regulations which have been issued by the Administration for the disposal of land by auction can be regarded as the best method of obtaining the right type of settler. There is little material available to indicate that gross mistakes have occurred with regard to the persons admitted, apart from the fact mentioned above, that some of the German settlers appear to have insufficient means. It can hardly be assumed, however, that a method which, with the exception of very big grants, allows no other selection to be made than that of the highest bid, is the best possible, and one cannot escape the conclusion that the wish to comply with the obligation of non-discrimination has prevented a more scientific method of choosing settlers. Actually, this point seems to have received relatively little attention, even in colonies where the hands of the Government have not been tied to the same extent.

The selection of the settlers is but one, though a major, problem of the policy of non-native immigration and settlement. The full significance of that policy for the economic life of a territory can be gauged only after an examination of the immigrants' contribution to the productive capacity of the country and of its claims on native labour.

CHAPTER V

THE USE OF THE LAND: AGRICULTURE; ITS DEVELOPMENT AND PROBLEMS

1. GENERAL FEATURES

AN outstanding feature of agricultural production in Tanganyika is its diversity. The country produces all essential foodstuffs for native consumption and may be considered self-supporting in this respect, except in times when droughts and locusts cause famine conditions. The food position, however, is not in every respect satisfactory. According to the Report of the Committee on Nutrition in the Colonial Empire,[1] which is based on the findings of local committees, the majority of the population does not get enough meat and milk, and there is an annual period of food shortage between harvests. In addition, occasional outbreaks of famine have occurred in nearly all provinces between 1929 and 1939.

The major remedy, in the view of the local committee, is, apart from increased cultivation of food crops, a better distribution and utilization of stock and particularly the development of better stock routes from the cattle-producing to the consuming areas.

Actually, an extensive trade in foodstuffs, vegetable as well as animal, has grown up in recent years, from the agricultural and pastoral areas to the big consuming centres, such as plantations, coastal towns and mining areas. Native peasants, European farmers and Indian gardeners have all a share in this trade, but by far the greatest portion of the produce is native-grown. The bulk of native agricultural produce, however, is not offered for sale, but consumed within the villages producing it.

Agricultural production for export is more diversified than in most countries in tropical Africa. It consists of at least three commercial crops of major importance: sisal, cotton, and coffee, and, in addition, of a number of smaller crops. The most important of these are groundnuts, copra, sesame, rice and, more recently, sugar and tea. This varied composition of the territory's export trade is undoubtedly a source of economic strength, since it saves the country from the risks attending reliance on one or two crops only. This is the more important in view of the high

[1] Economic Advisory Council—Committee on Nutrition in the Colonial Empire. First Report. Part II. Cmd. 6051. 1939, p. 16.

degree of instability in output as well as prices of most products of tropical agriculture.[1]

A survey of agricultural development can be based on export figures only, since no reliable statistics are available which include production for domestic consumption or internal markets. It is necessary, therefore, to bear in mind that the figures of Table B do not represent the territory's total output, and that native production, in particular, is actually much larger, especially in food crops. In the case of the major commercial crops, however, export figures are very nearly identical with production figures.

Table B gives the development, in quantities and values, of the main branches of agricultural production during the mandatory period in comparison with the state of things in the last full year of German rule.

To take this last point first: the change has not been one in quantities only, but, in part at least, in composition also. The list of export products of German East Africa was headed in 1912 by caoutchouc which occupied, moreover, the largest area of land alienated to European cultivators; it was exported at a value of £420,000—the greater part plantation caoutchouc—accounting for 26.7 per cent. of total exports.[2] Even then, the competition of plantation rubber from Asia menaced the position of African countries on the world market, and 1912 was the turning point. In 1913, the value of exported rubber declined to 17.5 per cent. of the total exports, ceding the first place to sisal which had proved an increasingly successful crop ever since its introduction in 1893. The development which threatened rubber plantations even before 1914 was accelerated by the war, and, apart from an insignificant quantity of wild rubber, caoutchouc has as good as disappeared from the export trade of the mandated territory.

While most of the land formerly planted with rubber was turned over to sisal, two new estate crops have recently been established in Tanganyika—sugar and tea. Their contribution to the export trade of the territory is so far, however, negligible.

All the important items of the export trade of the mandated territory appear also in that of the former German colony. But there has been a very considerable development in the territory's production, especially of sisal, cotton and coffee. As shown by the indices, this progress has been, however, very unequal for different

[1] An example of fluctuation in output is the groundnut crop in 1937 and 1938 respectively. Whilst in 1937, 22,251 tons were exported, the quantity sank to 3,579 tons in 1938. Fluctuations in world prices are reflected in the movement of sisal prices between 1929 and 1938. The average price per ton f.o.b. dropped from £32 in 1929 to £11 10*s*. in 1932, it rose to £23 7*s*. in 1936, but was again as low as £14 11*s*. in 1938.

[2] *Die deutschen Schutzgebiete in Afrika und der Südsee*, 1912–13. Statistischer Tiel, pp. 124 seq.

products, and quantities and values have not always developed to the same degree or in the same direction.

The relative importance of the principal products varies from year to year, but there has been no year in which the list of the country's exports was not headed by sisal, although the percentages of total exports due to it were as far apart as more than 40 per cent. in years of high sisal prices and 23 per cent. in 1925. Coffee and cotton hold second and third places amongst agricultural exports, but the relative importance of each changes with each year with output and prices.

2. THE RELATIVE SHARE OF EACH RACIAL COMMUNITY IN AGRICULTURAL PRODUCTION

Calculations made with the object of ascertaining the contribution of each racial community to agricultural production must again be based on export figures. Such a calculation has, therefore, a limited value only, particularly since many of the figures are necessarily estimates. The share of each community varies, moreover, from year to year, according to output and prices of their principal product. Thus, the catastrophic fall in the world price of sisal from 1931 to 1934 sent down the Europeans' share in Tanganyika's exports; it rose again considerably with the recovery of the sisal market in 1935. The native share, on the other hand, is liable to be reduced in a year of a bad coffee crop in Bukoba, as happened in 1936, or by a slump in cotton prices owing to a bumper world crop, as was the case in 1937.

Sir Sidney Armitage-Smith calculated the aggregate shares of non-natives and natives respectively in the territory's exports during the period from 1921 to 1931, as follows:[1]

Non-Native	*Native*
£11,312,000	£13,881,000

In other words, the non-native share amounted to approximately 45 per cent. of the territory's total exports in the first ten years of the mandate. Over 75 per cent. of the non-native contribution was accounted for by sisal, 12 per cent. by coffee, the remaining 13 per cent. being made up mainly by cotton, timber, hides and copra. Armitage-Smith assumed that 68.8 per cent. of the coffee is native-produced. Moreover, 'cotton is almost entirely a native crop; groundnuts are wholly native, and it is estimated that native production accounts for about 95 per cent. of hides and skins, rice and other grains!' No one will contest his conclusion that 'these facts . . . should serve to illustrate the importance of the

[1] *loc. cit.*, pp. 9 seq.

native contribution to the prosperity of the territory, and in the event of the failure of sisal, the preponderant importance of that contribution.'

It is, however, necessary to bear in mind that Sir Sidney's figures and conclusions are based on the results of a period during which several factors tended to reduce the non-native share. During the first years of the mandate, European production was more disorganized than native agriculture, whilst in the later years of the period which he reviewed, the value of non-native exports was disproportionately depressed by the slump in sisal prices. Bent upon emphasizing the predominantly native character of Tanganyika's economy, he was apt to underrate the importance of non-native enterprise for the country's prosperity and economic stability.

While it is likely that native agriculture contributed a larger share than non-native enterprise to the territory's exports during the first ten years of the mandate, the balance has probably been reversed after 1933.[1]

All the ascertainable facts thus indicate that a development, based on the cultivation of the land by native peasants as well as on non-native enterprise, answers the natural conditions of the territory. Any policy not taking account of this dual character of the territory's economy would result in the destruction of values and a reduction in general prosperity. On the one hand, the contribution of non-native enterprise, particularly of the sisal estates, to the export trade is too important for it to be possible to envisage a future economy in Tanganyika based almost entirely on direct cultivation by natives, such as, for example, exists in Uganda. On the other hand, experience obtained from the beginning of European colonization in 1893 points clearly to very definite limitations of white settlement and enterprise.

3. LIMITATIONS AND PROBLEMS OF NON-NATIVE AGRICULTURE AND SETTLEMENT

While it is difficult to envisage, in any appreciable time, a state of affairs in which the territory will be able to dispense, without impoverishment and loss, with the contribution made to its economy by non-native agricultural enterprise, the fact cannot be ignored that *one* crop only, cultivated under European management, has proved an unqualified success in both periods of the territory's history under European rule. This crop is sisal, a plantation crop requiring climatic conditions which are unfavourable to permanent white settlement, and therefore unsuitable as a

[1] This is even more so if the balance is made up for the *total* export trade, including minerals.

basis for the establishment of a fairly numerous population of European extraction. The predominance of sisal among exports derived from non-native sources gives to the non-African agricultural sector almost a one-crop character, and distinguishes it decisively from native agriculture with its varied production.

This preponderance of sisal is the more significant, since efforts have not been lacking, from the time of the early German occupation up to the present day, to introduce a greater degree of diversification into the non-native sector of agricultural production. Nor have all these attempts ended in failure. Nevertheless, the results as a whole must be considered as disappointing. Coffee, it is true, owing to the high altitudes in which it can be grown, is, with mixed farming, the principal basis of European settlement in the Northern Province, and has in more recent years also been taken up by settlers in the south-western areas; however, though, in its Arabica variety, a valuable contribution of European agriculture to the country's exports, it has been developed much more successfully on native land, and European coffee planters have had to put up for many years with very slender returns on their capital, particularly since the heavy slump in world prices occurred in 1930.

Cotton, too, was considered by the German Administration a promising crop for European as well as native cultivation, but more than 90 per cent. of it is at present produced by native planters; nor have the hopes, cherished by the German Administration, been fulfilled that a European tobacco industry might be established. Attempts made under German rule to settle European farmers have in many cases ended in failure, owing to a number of adverse factors.[1] Nor has mixed farming, which has been taken up by Europeans during the mandatory period, proved so far an unqualified success.

The basis of European agriculture is to-day even less diversified than it was before 1914 when rubber was a second plantation crop of major importance.

In recent years, two estate crops have been introduced with, as it seems, promising results: tea in the Southern Highlands Province and the Usambara Mountains, and sugar in the Lowlands of the Moshi District in the Northern Province. In contrast to sisal, which is entirely exported, both industries have a potential market within the territory, particularly in the growing demand of the native population.

Both crops are subject to international restriction schemes

[1] See v. Lindequist, loc. cit., p. 71. Arning, loc. cit. p. 268. Another German author who visited the country in recent years found it necessary to warn his readers that 'East Africa is a colony much more suitable for plantations and economic exploitation—'Pflanzungs-und Wirtschaftskolonie'—than for settlement'. C. Troll, *Das Deutsche Kolonialproblem*, 1935, p. 61.

which the Government of Tanganyika joined some years ago together with the other British East African territories. Under the International Tea Restriction Scheme a certain acreage which may be planted with tea during the following five years is allocated to each country. The allocation made to Tanganyika for the period from 1934 to 1938 amounted to 2,900 acres. It was fully planted by the end of the period. A further area of 2,050 acres was thereupon allowed, which the Department of Agriculture hoped would 'assist towards giving growers an area nearer the minimum economic unit of acreage.'[1]

No new entrants are, however, admitted, and there can be no doubt that the restrictions imposed by the scheme have had a retarding effect on the development of an otherwise hopeful industry. The remark just quoted shows, moreover, that the restriction of the area which may be planted has prevented plantations from expanding to the most economic size.

The export of tea, too, is subject to international regulation; the quota which may be exported is fixed annually on the basis of a standard export. So far, about 60 per cent. of the tea produced in Tanganyika is being exported.

It is officially maintained that the country has profited from participating in Restriction. This may be correct in so far as the scheme has kept world prices on a level remunerative to producers in general. It is, however, a feature common to most schemes restricting production, whether national or international, that they are advantageous to the established producers whose capacity is fully developed, but hamper the progress of younger competitors.[2]

The imposition of an export quota seems, in prevailing circumstances, less objectionable than the limitation of the area that may be planted with tea and the closing of the industry to newcomers, because this retards the development of the land and the extension of the internal market. A restriction of this kind appears particularly unjustified, since at least part of the crop would not compete in the world market, but would go to meet a demand over and above the present consumption of tea.

The situation with regard to sugar is somewhat similar, though differing in important respects.

The industry is carried on by a single company operating in the Northern Province. Almost its entire output, which amounted to approximately 5,000 tons in 1938, is exported. This quantity is at present almost identical with the export quota allocated to Tanganyika under the International Sugar Restriction Scheme

[1] Department of Agriculture. Report for 1938, p. 26.

[2] The chief tea producers in whose interest restrictions have been imposed are Ceylon, India, and the Dutch East Indies. See *Plantation Crops*, published by the Imperial Economic Committee, 1937, p. 27.

which Kenya, Uganda, and Tanganyika have joined as one unit.[1] In contrast to tea, sugar is even now being consumed to a considerable degree in the territory, and further increases in internal sales may be expected with the progress in the native standard of living. The reason, however, why very little of the Tanganyika sugar output is sold in the domestic market, is that the latter has been captured by the more advanced sugar industries of Kenya and Uganda which enjoy freedom from custom duties under the customs union between the three territories, and are protected against the competition of foreign sugar by a prohibitive tariff.[2]

A policy aiming at a greater amount of diversification of non-native enterprise need not, of course, be confined to the agricultural field. It has, in fact, taken place much more effectively in recent years through the opening up and exploitation of mineral deposits in various parts of the country. It is still too early to say how far this development and the agglomeration of people in mining areas will provide an expanding domestic market for farm produce, and thus make non-native—as well as native—mixed farming profitable on an enlarged scale.

But, even if such a development, which is envisaged by the Chesham Scheme, should prove practicable, it will hardly alter the fundamental fact that the main contribution which European agricultural enterprise can make towards the economic life of Tanganyika is the production of commercial crops on big estates equipped by capital from overseas and worked by native labour under non-native management, and not in dense settlement on farms or plantations of medium size. This lesson was learned at great expense by the German Government, and has been confirmed by Sir Donald Cameron and other administrators of the country in more recent years.

There is another factor pointing in the same direction, namely, the question of labour supply. The major remedy for the shortage of native labour which is felt with increasing urgency by all kinds of employers is to use the available labour force in a more economic way, by raising its efficiency. The principal method of attaining this object is better organization, the payment of higher wages and, where applicable, the introduction of mechanical processes. All these devices are easier to apply on large estates than on smaller properties.

4. IMPROVEMENT AND PROGRESS OF NATIVE AGRICULTURE

(a) *General.*

The safeguarding of sufficient land for native development is

[1] The quota assigned to them is, however, sub-divided.
[2] See chapter IX.

only one, though a basic, condition for the stability and unhampered evolution of a native peasant society. Other measures are equally essential: education and guidance of the native producer in improved methods, facilities for the conveyance and marketing of his produce, and, perhaps most difficult because most controversial, the provision in due time of legal titles designed to smooth the transition from the customary land tenure to a more individualist system, a process following inevitably in the wake of agricultural development.

There can be no doubt that the mandatory Administration has made the improvement and extension of agricultural production by natives one of its main objects. In the early years of the mandate, it was, in the first place, a question of regaining ground lost during the war. No new crops have been introduced, and the line of progress has been in the direction of an extension of the area under cultivation and an improvement in the quality of the produce. Consequently, there has been a considerable increase in output, particularly as a result of the 'plant more crops campaign' initiated by the Administration as a measure of meeting the setback in the territory's export values between 1930 and 1933.

If the progress over the whole period was not as striking as that achieved by some other African countries, such as the Gold Coast in the production of cocoa and by the cotton industry in Uganda—the greater diversity of native agriculture in Tanganyika must be considered as an advantage. A somewhat slower rate of progress is the price which nearly always has to be paid for diversity in agricultural development in a backward country. The increase in output achieved in Tanganyika, particularly since 1932, is, moreover, only partially reflected in the figures of export, as the balance between the production of commercial crops and of foodstuffs seems to have been fairly maintained.

Among the measures applied with a view to increasing the output of native peasants and of improving their economic conditions, two are of particular interest: the schemes to create model settlements of peasants, and the establishment of Native Authority Produce Markets.

(*b*) *Native Peasant Settlements—Policy in relation to Native Land Tenure.*

The first settlements of native peasants established by the Administration originated in measures applied with a view to combating sleeping sickness. Fly-infested bush was cleared, and the formerly scattered population was placed in concentrated settlements, but on individual holdings, on the reclaimed land. White the cultivation of food crops was the main concern, econo-

mic crops have been encouraged with success in some of these areas, which are the poorest and most sparsely populated in the territory.

In addition to these concentrations, other settlements have been organized since 1933 with a view to relieving pressure in areas congested 'to the extent of their children being practically landless.' The land selected was situated round several experimental cotton farms, and the financial means for its development was largely obtained from the Empire Cotton Growing Corporation. The object is to establish, in closed settlements, holdings of individual native peasants on the basis of mixed farming. The first settlements of this kind have been laid out in Uzinga in the Lake Province and in Kingolwira in the Eastern Province where they are destined to relieve the congestion in the over-populated Uluguru Mountains. The idea met with so much response from natives in these relatively advanced districts that the rate of settlement had to be slowed down, because otherwise the supervision of agricultural methods would not have been available on an adequate scale.[1]

The experiment is interesting because it attempts to further agricultural progress, especially the substitution of crop rotation for shifting cultivation, by appealing to the most advanced and intelligent elements. To quote the head of the responsible department: 'In this way, it is seen and is demonstrated that individual natives can undertake farming on a higher scale than the mass. . . . Thus, instead of one or two desirable practices only being put into operation by the mass of the people, such as erosion and cultivation rules, with individuals it has been found possible to graft on to native methods quite a number of changes leading to mixed farming.'[2]

Further plans envisage the transplantation in each case of four or five successful settlers to another prepared area where they will form the nucleus of a new settlement. The total number of peasants settled under the different schemes amounted to 224 at the end of 1937; 171 of these were in the Lake Province.[3]

The settlements constitute the first deliberate step, on the part of the Administration, towards a more individualist system of land tenure. The occupants chosen are at first tenants of the Administration, but earn, by effective occupation, an undisturbed right to their holdings. They do not obtain, however, full rights

[1] A detailed description of the Kingolwira Scheme is given in the Annual Report of the Administration for 1937, Appendix VII, pp. 213 seq. The caution with which it is being carried out is made evident by the fact that three selected natives were settled on demonstration holdings designed to serve as models to the rest of the settlers.

[2] Report of Department of Agriculture for 1937, pp. 6 seq.

[3] Annual Report for 1937. Colonial 148, p. 161.

of ownership; neither mortgage, subdivision, nor sale of the holding is allowed.

The land tenure adopted in the experimental settlements thus reproduces the state of affairs which has evolved gradually in the more advanced areas of the territory under the customary system of land tenure.

This development is relatively far advanced in areas where commercial crops, particularly coffee and cotton, are grown. It is reported, moreover, that in one district of the Lake Province the cattle owners hold individual grazing rights over tracts of land outside their homesteads, and can even sublet them.[1] This marks a step towards individualization in this particular district while the usual grazing rights in the territory are communal. A chief in the same district has promised new settlers that the land allotted to them will remain their and their heirs' property for all time, with the proviso that it must not be subdivided.[2]

So far, these are exceptions; but they make evident that changes are taking place in the customary land tenure.

The conditions under which native land is customarily held are in several respects directly opposed to the principles governing the occupation of land by non-natives.

The duration of non-native rights of occupancy is limited by the system of leasehold, at least in relation to land alienated under the mandate. Rights of occupancy granted to non-natives may, moreover, be revoked in certain circumstances, a provision which the mandatory Power has explicitly declared not to apply to native customary rights.[3] Under the latter, the permanence of land tenure is secured independently of the decisions and the life of individuals, since the right in the land is, for the greater part, vested in the tribal group, and it can neither change hands by purchase nor be mortgaged. Since the mandatory is pledged to take native laws and customs into consideration, any change which would bring native land tenure nearer to that governing the occupancy of alienated land must be preceded by an evolution of native customs, a process which the Administration has, however, the means to influence and to guide.

So far, apart from the limited settlement schemes just described, the Administration has done little to facilitate development towards a more individualist system of land tenure. It has refrained, particularly, from providing a legal title to land occupied by individual natives, as has been done in the African territories under French rule.

But the question has not escaped the attention of the Govern-

[1] Colonial No. 165, 1939, p. 15.

[2] *Ibid*, p. 16.

[3] The declaration was made in 1932 in order to allay apprehension expressed by the P.M.C.

ment entirely, and in 1938, three administrative officers were entrusted with a special investigation into systems of land tenure in the populous Lake Province.

The principal Report[1] deals with land tenure in Sukumaland, one of the most progressive areas of native agriculture in the Province. The author shows a strong bias for the traditional system of land tenure, and declares not only individual ownership or occupancy as undesirable, but rejects even occupancy based on the family as the economic unit. 'In such areas as Sukuma, the village group, being the smallest immovable unit in relation to land and containing an indigenous co-operative organization, is clearly the optimum stock on which to graft improved methods of husbandry.'

In reading the Report, one cannot escape the impression that the author has dismissed rather summarily the factors which have made the actions of advanced individuals the chief agent of economic and social progress everywhere. Nor has the question been explored whether the disadvantages frequently following the introduction of more individualist forms of tenure, such as excessive subdivision of the land and the contracting of unproductive debts, are inevitable, or whether they might not be avoided by suitable precautionary measures. Even more important than a close control of dealings in land would probably be the provision of institutions, co-operative or otherwise, designed to meet the progressive farmer's legitimate need for credit on reasonable terms. Wherever a peasantry has contracted stifling debts, facilities of this kind have been lacking and remedial measures applied only after the evil had become deeply rooted in the economic system of the rural community. There is no reason to believe that it could not be forestalled in those parts of Africa where it has not yet made its appearance, without foregoing the advantages which individual ownership offers from the point of view of agricultural progress.

That these advantages are essential in relation to the most vital problem of African agriculture is evident from a Report of the Provincial Commissioner for the Northern Province of Tanganyika, another advanced area of native agriculture. 'The question of individual ownership of land . . . has some bearing on the soil-erosion problem, for it seems likely that possession of a clearly demarcated agricultural holding, such possession backed by written title deeds, would be a strong incentive to the individual to farm his land to the best advantage and to adopt measures to prevent his soil from being washed on to other land outside his boundaries.'[2]

[1] Colonial No. 165, 1939, pp. 211 seq.

[2] Reports of Provincal Commissioners for 1938, p. 53.

A similar view has been expressed by the Uganda Committee on Nutrition which states 'that a proper appreciation of the value of land and of soil conservation can only follow if some method of land tenure ensuring continuity of ownership to the individual be evolved.'[1]

It appears from the evidence available that it is not in the first place considerations of an economic character which are responsible for the Administration's reluctance to further the progress of native land tenure towards individual ownership. The main motive seems to be the apprehension that measures of this kind would weaken tribal organization as the basis of native administration, and encounter the enmity of the chiefs. 'The authority of the Native Administrations is largely based on the chief's land rights which are delegated to the village headman. It follows, therefore, that in many areas individualization would undermine that authority which is one of the foundations of social organization, and the basis of our Administration.'[2]

Even the peasant holdings established by the Administration since 1933 seem to have aroused misgivings in this respect, and to have met with opposition on the part of the chiefs in some of the areas concerned. It was decided, in consequence, 'to extend the principles of mixed farming one step at a time by the mass approach method through traditional channels of authority . . . With all peasant settlements it is desirable for the chiefs to select the land for settlement and essential that they allocate the holdings.'[3]

This seems to indicate that the Administration has gone back on what at its initiation it considered the cornerstone of its policy of setting up experimental settlements in selected areas:[4] the appeal to a few individual natives, considered intelligent and enterprising above the average, in order to push ahead agricultural progress on a few model farms.

History in general, however, points the lesson that a political structure not capable of adjustment to the changing needs of a developing society and thus impeding economic progress, can be maintained only at great cost. It is, moreover, difficult to see why the preservation of a tribal organization should be considered a desirable aim in itself for Africans, and a change towards the evolution of a more differentiated society deprecated in Africa, although it is the road to civilization which most peoples have taken

[1] Summarized in the Report of the Committee on Nutrition in the Colonial Empire. First Report, Part II, Cmd. 6051, 1939, p. 20.

[2] Colonial No. 165, p. 212.

[3] Report of Department of Agriculture for 1938, p. 12.

[4] This seems to apply so far to the Lake and Western Provinces only; in the settlements in the Eastern Province the method of individual approach appears to have been retained.

at a certain stage of their development. A policy preventing, or unduly delaying, such an evolution would hardly be in conformity with the terms and objects of the mandate. Both, a higher standard of material prosperity and a more developed stage of society, are inseparable from the evolution of social and economic institutions allowing to the faculties and industry of individuals a wider scope than they can enjoy under a tribal organization.

It would be an overstatement to say that the Administration of Tanganyika has hindered this progress, but danger signs are not lacking that caution and a predilection for the idea that the African should develop along his own lines—supposed to be fundamentally different from those of other peoples—may be carried too far.

(*c*) *Measures to facilitate the Marketing of native-grown Produce.*

Measures which aim at regulating the marketing of produce to be exported have been applied in recent years in most African countries. While the marketing of produce from European farms and plantations is generally in the hands of bodies formed by the producers themselves,[1] though often subjected to statutory regulation, Government control has come to play a far more active part in the export of native-grown produce.[2] This has been the case particularly in those territories where native producers are responsible for a large proportion of total exports.

In Tanganyika the outstanding measure of marketing regulation, which has been watched with interest and partly adopted in adjoining territories,[3] was the establishment of Native Authority Produce Markets. They were introduced originally as an emergency measure against a relapse into primitive marketing methods during the economic depression.

The 'plant more crops campaign' by which the Government tried to counterbalance the decline of export values led to a considerable increase of output to which the existing trading organization proved inadequate. Moreover, the general contraction of business and shortage of currency induced traders to reintroduce barter. The result was that the native had to accept for his produce cloth, salt, beads, and other trade goods, usually of the poorest quality, and had the greatest difficulty in procuring

[1] In East Africa, these bodies usually comprise producers from Kenya, Uganda, and Tanganyika and sometimes also from Nyasaland.

[2] See the present author's article on 'Marketing Schemes for Native-grown Produce in African Territories'. *Africa*, Vol. XII. No. 2. 1939.

[3] Legislation on the same lines as in Tanganyika was passed with good results in 1935 in Kenya. See Sir Frank Stockdale's *Report on a Visit to East Africa*, 1937, C.A.C. 345, p. 87. In Northern Rhodesia, on the other hand, the measure proved a failure except in the more densely populated mining districts. *Report on the Financial and Economic Conditions of N. Rhodesia*, by Sir Alan Pim, Colonial No. 145, 1938, p. 28.

sufficient cash for his taxes. Nor had the native peasant a chance of saving anything from the proceeds of his produce.[1] As in other territories, the number of middlemen was excessive, and a great many of them bought any produce they could get, without regard to quality, in times of rising prices, but abstained from buying altogether when recession set in; this resulted in even more violent fluctuations of prices than was warranted by the condition of the world market.

To deal with these various calamities, Produce Markets were established in 1932, under rules issued by the Native Authorities, in the principal trading centres of the Lake Province, where the production for sale of groundnuts, rice, cotton, and several other crops had become of great importance.

Under the rules, the purchase of groundnuts, rice, sesame, and gum arabic is confined to these markets, and all transactions have to be carried out in cash. Purchasers have to secure buying-booths by auction, and their number can be restricted with a view to eliminating cut-throat competition.[2] The authorities provide weighing-machines which are in charge of an officially appointed market master assisted by a native clerk; before being admitted to the market, the produce has to undergo inspection and grading by official examiners.

The markets have become important centres of the economic and social life of the districts in which they have been established and seem to assume a significance similar to that of the mediaeval market towns in Europe in relation to the surrounding country. It has been found, however, that they can be established with success only in a densely populated area where the distance to the market for any producer is moderate. The markets have, therefore, up to the present been confined to the Lake Province where fifty-seven markets had been established by 1937, and to the Central Province where the trade is mainly in groundnuts. In the markets of the Lake Province alone, produce to the value of £177,561 was sold in 1937.[3]

The Native Authority Produce Markets appear to be well adapted to the present needs of Tanganyika peasant communities, but their working will have to be carefully watched, lest the rather rigid control which they impose on marketing activities may prove a drag on the further development of native society and prevent natives from taking up trading as a profession. Furthermore, it may well be asked whether it would not be more in the interest of African producers if the control imposed on buyers were applied exclusively as a means of eliminating unreliable

[1] Tanganyika. Department of Agriculture. Report for 1931, pp. 7 seq.
[2] *Ibid.* Report for 1935, pp. 10 seq.
[3] Provincial Commissioners' Reports for 1937, p. 26.

and dishonest elements among traders rather than of limiting the number of buyers irrespective of personal character, a state of affairs which deprives producers of the advantage they might derive from freer competition among the purchasers of their produce.[1]

[1] Other measures of marketing regulation, such as the compulsory sale, through a co-operative agency, of native-grown coffee in the Kilimanjaro district, have been described by the author in the article mentioned above.

CHAPTER VI

MINING

1. THE DEVELOPMENT OF MINING AND ITS EFFECT ON THE ECONOMY OF TANGANYIKA

THE development of a gold mining industry is one of the outstanding events in the economic history of Tanganyika under mandate. A certain amount of prospecting had been carried out in the German time,[1] but in 1914 only at the Sekenke Mine near Lake Victoria had the stage of production been reached; even to-day it has the third largest production in the territory.[2]

In the nineteen-twenties prospecting was carried out on a more extensive scale. Gold was found in the Mwanza and Musoma Districts of the Lake Province, and in the Lupa District of what was then the Iringa Province, that is to say, in the north western and in the south western regions of the territory. Progress in opening up the deposits was, however, rather slow, and especially in the Lupa District delayed by the lack of transport facilities to the railway and the ports. Then the depreciation of the pound sterling in terms of gold, in 1931, acted as a strong incentive, and led to considerable investments in reef mining in the principal areas; simultaneously, alluvial mining, which had been going on since 1922 in the Lupa Goldfield, attracted many diggers from within the territory, mostly Europeans—employees who had lost their posts and farmers who found it impossible to make a living by the sale of their crops—but also a considerable number of Asians and Africans. While in 1929 the total output amounted only to 9,070 oz. of fine gold, it reached nearly 82,000 oz. in 1938; of this approximately 30 per cent. came from alluvial diggings. Alluvial gold, which can be obtained without elaborate technical equipment, knowledge, or capital outlay, is almost exclusively mined in the Lupa District in the Southern Highlands Province, where, in 1938, it accounted for 66 per cent. of the total production. Even in this district, however, reef mining is increasing in importance, whilst alluvial mining has declined from year to year, since it reached its peak in 1936 with a production of 40,338 oz. The number of diggers fell simultaneously from 750 to 481 in 1938, many of the diggers having gone back to their former occupations, richer by the discovery 'that alluvial mining on the

[1] Arning, *loc. cit.*, p. 28.

[2] In 1912, gold was exported at a value of 530, 624 M., mica at a value of 581, 507 M. *Die deutschen Schutzgebiete in Afrika und der Südsee.* 1912–13, Statistischer Teil, p. 124.

Lupa does not provide the majority of persons engaged on it with a reasonable standard of living.'[1] Reef mining, on the other hand, is predominantly the sphere of big capitalistic enterprise, and its output will increase to the extent to which the necessary machinery is put into working position.

At present, production is carried on in three different areas:

(1) In the North, in the Musoma Goldfield and in East and South West Mwanza; the last-named comprises the important Geita mine in the Saragura Area, which extends over 6,000 square miles.

(2) In the Central area, with the Sekenke, Kirondatal and Kingeli mines, a proved gold region of 400 square miles.

(3) In the Southern area, comprising the Lupa Goldfield and its extensions, altogether over 1,300 square miles.

In addition, the Ukonongo Goldfield, considered to be of great promise, was discovered in 1937 in the Kigoma District of the Western Province.

The output of the three principal areas was in 1938:

	Fine gold oz.
Northern Group	32,579
Central Group	7,010
Southern Group	41,954

Although the discovery of gold has attracted prospectors from many countries, British and South African financial and mining interests dominate all important developments. This is not surprising, in view of the fact that gold mining demands a highly specialized knowledge on the financial as well as on the geological and technical sides. Most of the reef mining is controlled by big companies exploiting also other East African mining areas, particularly in Kenya and Uganda.[2] In the Lupa, German capital has taken an interest in some of the smaller reefs, but the degree of its participation is not known. Alluvial mining, which demands far less capital, has attracted a much greater variety of nationalities; in 1936, the peak year of production, the number of nationalities represented among diggers was given as twenty-eight, including African natives, whose number had, however, declined from sixty-two in 1936 to thirty two years later.

While from 1932 onwards gold mining has overshadowed all other developments, the diamond industry was the most important mining operation in the first decade of the mandate. The output of diamonds, the existence of which had been unknown before 1922, reached a value of £101,480 in 1927; since then it has

[1] Report on Lands and Mines, Mines Division, for 1937, p. 83.

[2] Details in *Mining Year Book*, compiled by Walter E. Skinner.

declined under the influence of low prices, amounting to £3,558 only in 1938. Other minerals exploited on a smaller scale are salt, tin ores and mica, the production of which was valued at £54,000, £50,460 and £12,383 respectively in 1938.

The future of mineral development in Tanganyika in general, and of the gold mining industry in particular, depends on two factors of uncertain magnitude. First, the amount of deposits which can be worked at a profit is not known, and secondly, it is not certain whether sufficient capital for the opening up and exploitation of mineral resources will be available. It is a widely held view, the correctness of which it is difficult to gauge, that the development of gold mining, especially in the south western area, has been held up because investors have not had sufficient confidence in the political future of the mandated territory. On the other hand, forecasts as to the exploitability of the ores from a commercial point of view have not always been favourable.

Whatever view is taken of the prospects of mining in Tanganyika, there can be no doubt that mineral production has become an important factor in the country's economy. In 1938, minerals accounted for 19.2 per cent. of total domestic exports, and gold mining was second only to the sisal industry, both in the number of native workers employed and in its contribution to exports. This latter represented 15.9 per cent. of total domestic exports in 1938, and in no year from 1934 onwards less than 10 per cent. By the development of gold mining an item has been added to the territory's exports which does not react to the trade cycle and to general vicissitudes of business in the same way as agricultural produce which formed until recently Tanganyika's only exports.

The agglomeration of people in the mining districts has created new consuming centres which present convenient markets for the products of native as well as non-native agriculture. Native production of foodstuffs in the neighbourhood of the Lupa Goldfield, for instance, has been provided with an important market; while schemes of white settlement in the same area are also based on the growing demand of the mining population.

Mining activities lead, moreover, to the establishment of secondary industries, and throw open new employments to non-natives, such as geologists, engineers and artisans. Even more important—they widen the demand for native labour. This means for natives living near mining districts a greater freedom in choosing between different kinds of employment. The effect of this new development on the labour supply in general will be discussed in the next chapter. It is, however, necessary to deal here with certain features of the labour situation which are peculiar to the mining industry.

2. LABOUR CONDITIONS IN THE MINES

The average number of Africans occupied in, or in connection with, mining was given by the Committee on the Supply and Welfare of Native Labour at 32,000; the figure for gold mining alone was estimated at 27,580 in 1938. The work of artisans in the mines is up to the present mainly performed by Asians, especially Indians, whilst a number of Chinese work as carpenters. But, 'the Asian artisan who replaced the European artisan is now finding that the African artisan is beginning to take his place.' The chief difficulty which operates against the building up of a permanent skilled native labour force is the average African's inclination to take up work in the mines as a seasonal job only and to return to his village after a few months.[1] Natives from Nyasaland are usually willing to stay for a longer period, and this seems to be the main reason why they occupy most of the skilled and better paid jobs.

The shortage of labour experienced by both the mines and agricultural employers has brought about an appreciable rise in native wages. The average monthly wage paid to Africans in the mines rose from 15.61 shs. in 1935 to 17.30 shs. in 1938. Actually, wages rates differ according to locality and the skill required for the work. Usually the highest paid skilled African earns five times as much as the lowest paid unskilled worker. Wages paid in reef mining are considerably higher than those on alluvial diggings where part of the payment takes the form of a bonus varying with the output of gold, a system which led to great abuse under the primitive conditions of the Lupa Field. Owing to the lack of financial resources of many employers, wages claims were frequently not honoured, while the workers often could not withstand the temptation of stealing gold.

In other respects, too, working and living conditions in the Lupa have called forth severe criticism from various quarters. Housing, sanitary conditions, and medical provision for the labourers were found to be either lacking or deficient, and the food supplied was often insufficient and did not provide a balanced diet. The latter difficulty was mainly due to the fact that the Lupa, a sparsely populated arid area, had no agricultural production of its own; foodstuffs had therefore to be conveyed from other parts of the country and bought at inflated prices from middlemen. With the extended cultivation of food crops in the surrounding agricultural districts, the situation has, however, improved.

Publicity to the unsatisfactory conditions on the alluvial diggings of the Lupa was first given by the Reverend W. P. Young,

[1] Report of Mines Division for 1938, p. 89.

who visited the goldfield in 1935 at the request of the Government of Nyasaland. The latter had become concerned at the conditions to which Nyasaland natives migrating as workers to the Lupa were exposed. In addition to criticizing the poor quality of the food, the shortage of water, and the absence of all health services, Young commented particularly unfavourably on the low standard of morality and the lack of discipline prevailing among labourers. He attributed this to the absence of almost any agency concerned with the moral and religious welfare of the workers, among whom were many young boys of fifteen or sixteen years of age. 'Apart from the visits of German missionaries and a native minister placed there by them in co-operation with the Livingstonia Mission, there is no missionary or welfare effort at all on the Lupa.'[1]

The Tanganyika Committee on Labour Supply, whose observations were made a year later, found fault mainly with bad housing conditions, poor food and a low standard of discipline both amongst employers and employees.[2]

The P.M.C. too was seriously concerned with conditions in the goldfield, particularly from the point of view of native welfare, and in several consecutive sessions stressed the urgent need of improvement. Members expressed their disapproval of what they considered the extremely slow progress made towards better conditions. 'It should be observed', remarked the Chairman, M. Orts, in 1937,[3] 'that the present state of affairs had not occurred suddenly and unexpectedly as the effect of a rush on the mines. It had been developing for five or six years, and the Administration had not shown any special energy in setting about regulating matters connected with mining activities, as soon as they appeared to be necessary. This was all the more surprising on the part of an Administration which, under other circumstances, had shown itself capable of taking prompt decisions and resolutely carrying them out.' In view of the mild form in which the Commission usually expresses its objections, this must be considered a very serious censure.

By insistent questions and reprimands the P.M.C. was instrumental—together with other agencies—in drawing attention to abuses and deficiencies, and in inducing the Administration to apply remedial measures. Even in 1938, however, although certain improvements were acknowledged, Mr. Weaver remarked

[1] The Report is published as Appendix (6) to the Nyasaland Report on Emigrant Labour, 1935.

[2] Report on Questions relating to the Supply and Welfare of Native Labour in the Tanganyika Territory. Dar es Salaam, 1938, pp. 30–31.

[3] P.M.C. 31st Session, 1937, p. 44. The principal spokesman in criticizing conditions on the Lupa was Mr. Weaver, the representative of the I.L.O., who, from 1934 onwards, urged the necessity of improvement, and showed himself particularly concerned at the lack of medical attendance.

that 'there seemed to be a definite lack of control over both employers and workers throughout the Lupa.'[1]

One of the chief difficulties responsible for the unsatisfactory conditions in the Lupa and the slow introduction of reforms was the very mixed composition of the digging community, a great many of whose members were without sufficient means, and in some cases of doubtful and unreliable character. Among remedial measures which have been introduced is an Ordinance bestowing power on the authorities to refuse prospecting rights to persons considered undesirable; this applies, amongst others, to persons convicted of offences against the Master and Native Servants Ordinance, and therefore deemed unsuitable to employ native labour.[2]

In the other goldfields, where operations are carried out by big concerns, working and living conditions do not appear to have evoked the same criticism. Indeed, in some localities, such as the Geita Mine in the Lake Province, welfare measures for native workers appear to be of a model kind.

3. THE CONTRIBUTION OF MINING TO GENERAL REVENUE

Another important question arising with the exploitation of mineral resources by non-native enterprise is whether an adequate portion of the proceeds is being diverted to general revenue, thus helping to further the economic development of the territory as well as native progress and welfare. The question was raised by the P.M.C., both in relation to mining and in connection with the taxation of non-native enterprise in general.[3]

In 1938, the sums paid directly by the mining industry into general revenue totalled £40,804.[4] Although representing still less than 2 per cent. of the territory's total ordinary revenue, the proceeds from mining have rapidly risen within a few years, since, in 1934, they amounted only to £26,967.

Apart from its direct contribution to public revenue, the mining industry has helped to augment the territory's income in a variety of ways, viz., by strengthening the taxable capacity of the population, by stimulating imports, and by increasing the earnings of transport services, particularly railways. These gains, if difficult to assess, are nevertheless real,[5] and run to considerably

[1] P.M.C. 34th Session, 1938, p. 149.
[2] Report of Mines Division for 1937, p. 152.
[3] See chapter XI.
[4] Report of Mines Division for 1938, p. 102. The figure refers to all mining activities, not gold mining alone.
[5] According to figures based on the information supplied by forty-seven mining properties, the industry spent on wages, rations, transport charges, stores, tools, and plant in 1938 £669,468. *Ibid*, p. 75.

higher figures than the sums paid directly as royalties, fees and rents by companies and persons engaged in mining.

In considering the question whether the direct contribution made by the mining industry to a country's general revenue is adequate, account has to be taken of the stage of development reached by mining operations. A high rate of taxation at an early stage may hamper development by keeping capital away from an industry which is highly speculative in character; an even greater danger is that it may induce managements to work the richer ores only and neglect low-grade ores, a procedure which is clearly not to the benefit of the territory.

In Tanganyika the stage when a high proportion of revenue can be drawn from mining has not yet been reached. It seems unlikely that any Government would overlook the capacity of a well-developed mining industry to pay taxes. A more acute danger to native welfare and evolution is rather that an Administration, tempted by the prospect of large taxable profits, may allow the development of mining operations to be accelerated to such a degree that, by their demand on native labour, they threaten to disintegrate native society and to upset the balance of native economy, a danger considered imminent in the Belgian Congo not very long ago.

If the economic and financial system of a country is based too much on mining, to the neglect of its other resources, misgiving must be felt for the more distant future when mineral resources will approach exhaustion point. This danger has been emphasized at various intervals in the Union, where it has prompted measures favouring the mining of low-grade ore, particularly by a suitable graduation of taxation, as well as the granting of a considerable amount of protection and subsidies to various branches of agriculture. Government action in Tanganyika appears to have erred, if at all, on the side of over-cautiousness and hesitancy. Only in 1929 was the rather rigid law relating to mining amended in such a way as to facilitate prospecting and the taking up of leases.[1] It took even longer, before the development of mining was assisted by the construction of vital roads linking up the Lupa and Musoma Goldfields with the railway.

The beneficial influence of a well-conducted and prosperous mining industry on the progress of a territory, not least on that of its native population, has been too clearly demonstrated in other African territories to be contested in the case of Tanganyika.

The main danger up to the present war appeared to be less that

[1] The law is at present identical with that of Kenya and Uganda.

the industry might obtain an undue preponderance than that a shortage of capital might hamper the extension of its productive operations. It is an open question whether this must primarily be attributed to the uncertainties of the political situation, to distrust of the future of the mandates system, or to factors of a commercial character.

CHAPTER VII

LABOUR: POLICY AND PROBLEMS

1. THE MAIN FACTS

SO far as native labour is concerned, the most significant change since the period under German rule is a considerable increase in the number of Africans employed for wages. In 1912, the number of native wage earners in the service of Europeans (private employers and Government) was given at 139,515 or 123,190, if workers employed on railway and harbour construction, who were exceptionally numerous in that year, are deducted.[1]

The Committee on Labour Supply in 1936 came to the conclusion that 244,000 natives were employed by Europeans. Apart from the fact that approximately one-fifth of the increase is accounted for by the growth of the population, the figures cannot be considered as strictly comparable. This applies particularly to the number of workers employed by the Government; in 1912, it was given at 5,000 only, whilst it amounted to 42,000 in 1936.

It is less misleading to compare the figures showing the number of workers employed in the different branches of private enterprise and service. The figures for both years are:

Employment	*Number of workers* 1912	1936
Non-native Agriculture[2] ...	91,892	125,000
Mining	2,966	32,000
Trade	2,500	23,000[3]
Domestic Service	9,000	22,000
Missions	3,000	No figures available
Porterage	5,000	do.

To the recorded figures of wage-earners a growing number of

[1] *Die deutschen Schutzgebiete in Afrika und der Südsee.* 1912–13, Statistischer Tail, p. 79. The figures are mostly based on estimates, as are those for the mandatory period. If 6,000 Ascaris serving in the Police and Defence Force, permanent porters, 'other persons in the employment of coloured employers' (25,000) and personnel on sailing ships are included, the number of employed Africans amounted to approximately 172,000 in 1912.

[2] The comparability of the two figures is reduced by the fact that the German figure includes workers on 'Plantations, Farms and in Industry', but is confined to employment by Europeans. The figure for 1936, on the other hand, refers to agricultural enterprise only, but includes all non-native agricultural employers.

[3] Inclusive of transport and port services.

Africans employed on native farms has to be added. Although most of this employment is not continuous, the number of workers so employed is at times considerable.

Two different sets of problems confront the Administration of a colonial territory where a considerable number of natives is employed for wages:

(1) It has to regulate the conditions under which labour is to be employed, including such matters as labour contracts, disciplinary measures, safeguards protecting the labourers' health on the journey to and from the locality of employment as well as at the workplace, etc.[1]

(2) It has to decide the general policy—economic and financial—on which the demand for labour as well as its supply largely depends, and to determine the methods applied to bring about the necessary adjustment between the two.

The first group of measures has to deal mainly with problems of an administrative nature. The second group is closely connected with the rate at, and direction in which the Government has decided to open up and develop the country.

The two groups likewise present very different problems from the point of view of international supervision. The extensive discussions of labour questions by the P.M.C. show that international standards for the employment of native labour are relatively easy to establish. The policy which determines labour demand and supply, on the other hand, though not beyond the criticism and comment of an external body, is necessarily decided not only in administrative details, but in principle, by the mandatory Power.

2. ADMINISTRATIVE REGULATION OF LABOUR CONDITIONS

The principal obligations imposed on the governing Power by the mandate in relation to native labour are:

(a) The abolition of slavery and the suppression of the slave trade.

(b) The prohibition of forced or compulsory labour, except labour rendered for essential public works and service in return for adequate remuneration.

(c) The protection of natives from abuse, fraud, and violence by the careful supervision of labour contracts and recruiting.

The stipulations concerning slavery were relatively easy to fulfil, since the slave trade had been stamped out almost entirely

[1] See particularly, Major G. St. J. Orde-Browne, *The African Labourer* Oxford University Press, 1933; also Lord Hailey, *An African Survey*, Oxford University Press, for R.I.I.A., 1938, ch. XI,

by the German Administration, which had also made provision for the complete abolition of slavery by stages, a process which was fairly advanced in 1914.

The mandatory Government, in conformity with Article 5 of the mandate and the anti-slavery convention, declared by an Ordinance passed in 1922[1] that all slaves were free forthwith. Since slavery was no longer of importance in the economic and social system of Tanganyika, the carrying out of this regulation does not seem to have encountered great difficulties.

The suppression of forced labour presented more serious problems. The obligations of the mandate in this matter were reinforced later by Great Britain's adherence, in 1931, to the International Convention concerning Forced Labour. In the first years, the Administration found it necessary, as had the former German Government, to conscript labour for public purposes to a considerable extent, mainly for porterage, and for rail and road construction and maintenance.

The general attitude of the Administration was stated in a circular on 'The Recruitment and Employment and Care of Government Labour' issued in 1926. It describes compulsory labour as the most wasteful and the least efficient of all forms of labour, and its steady diminution and final disappearance as a prominent aim.

Progress along these lines could not but be gradual. By 1937, however, the amount of compulsory labour had been greatly reduced and limited to the forms admitted under the International Convention; this labour was, moreover, generally remunerated.

The only unpaid labour still performed is certain communal services rendered to Native Authorities and not included in the legal definition of compulsory or forced labour. Under this category come customary services to the community, such as the annual cleaning and light repairs of roads, and work initiated by Native Authorities and directly concerned with the health and well-being of the people or the promotion of their material prosperity. The professed aim of the Administration, however, is to replace even work of this kind by voluntary paid labour when conditions allow.

The only kind of labour performed for the Government without payment of wages is that rendered in lieu of taxes by natives who are unable to find the necessary cash for the payment of their poll tax. A similar provision was in force under the German rule, with this difference, however, that natives who were obliged to discharge their tax liability in work could then be assigned to private employers if these paid the amount due for tax.[2]

[1] Involuntary Servitude (Abolition) Ordinance.
[2] Rathgen, 'Eingeborenensteuern' in *Deutsches Koloniallexikon*, 1920.

The number of natives who perform their tax liability by labour varies considerably with the general degree of prosperity. During the years of the economic depression, the amount of this kind of work was considerable and called forth repeated criticism by the P.M.C. With economic recovery, it declined rapidly, as can be seen from the following table showing how many men worked off their taxes in different years:[1]

Year	*Number of Men*
1933–34	59,316
1934–35	41,609
1935–36	31,605
1936–37	16,092

In 1938, only 12,475 or approximately 0.8 per cent. of all tax-payers discharged their liability by labour.

This decrease has, however, compelled the Administration to conscript more labour for public works, and it does not seem likely that such labour, within the limits allowed by the mandate and the International Convention, can be dispensed with in the near future.[2]

The fact that it has become more and more possible to remunerate this labour is proof of the advance towards a money economy as well as of increasing prosperity. The possibility of carrying on public works with the labour of tax defaulters in times of falling prices and resulting shortage of cash gives to the fiscal system an amount of adaptability to discard which would be neither in the interest of the native population nor the country as a whole, at least at the present stage of development. The fact, however, that the liquidation of the tax obligation in labour decreases immediately things begin to look up, shows clearly that the average native prefers to pay his tax in cash and has come to consider this form of discharge as normal.

The employment of natives by private employers is governed by two Master and Native Servant Ordinances of 1923 and 1926 respectively.[3]

The main principles are essentially the same as those in force under the German Administration and as applied at present in adjacent British Territories. Contracts for work at a distance

[1] International Labour Conference, 24th Session, Geneva, 1938. Report on Convention concerning forced or compulsory Labour, p. 225.

[2] The only British dependencies where forced or compulsory labour, as defined and permitted by the International Convention, was exacted in 1938, are Kenya, Uganda, Tanganyika and North Borneo.

[3] A new 'Manual Workers' Employment Bill' is in preparation. According to the Governor's announcement, it will be based on the three International Conventions dealing with native labour. Tanganyika Legislative Council, 30th May, 1939, p. 123.

have to be made in writing and attested by a magistrate or an administrative officer; the period of work outside the home district must not exceed a year (the Ordinance passed in 1923 had reduced the period to six months, but it was found necessary to extend it to a year again, because the cost of recruiting and transport from a distant area proved too high for the estate owners if the workers could be retained for six months only). Recruiting is carried out under licence issued, usually, for one district only. The employer is under obligation to provide adequate housing accommodation, food and health services for the workers. The Ordinance provides safeguards both for the native employees against defaulting employers, and for the employers against workers who are negligent or unwilling in the performance of their duties. An improvement from the workers' point of view as compared to the state of affairs under German rule is the provision that punishment may be awarded by order of a court only, whereas, under German law, officials were authorized, in certain circumstances, to exercise summary powers of correction at the request of an employer without previous proceedings in court.

Forced labour for private employers has been abolished in the one case where it was admitted by German law. In West Usambara every adult native male had to work thirty days within every four months for a private employer; if he failed to comply with this regulation, he had to work for the same number of days on public roads.[1]

The so-called Kipande system, on the other hand, which was at first criticized as wasteful by the mandatory Administration, was found to be so firmly established, that its abolition proved impracticable. Under this system, local labour is engaged, not for a definite period, but for the performance of a certain number of days' work; every day on which work has been performed is entered into a 'kipande' or labour card. When mandatory Administration was established, it used to take several months before workers completed a labour card of thirty days' work. Under the new regulations, issued in 1926, a contract of this kind was not allowed to extend to more than thirty days' work and expired after sixty days, whether work had been performed on thirty days or not. However, according to later Reports, no considerable improvement has been attained, the workers still preferring to spread the thirty days over a period of several months, and the Administration has apparently come to the conclusion that the system answers the needs of the native's economy since it leaves him time for work on his own land.[2]

It is a well-known fact, confirmed many times since the first

[1] Rathgen, 'Arbeitszwang' in *Deutsches Koloniallexikon*.
[2] Report on Labour. Colonial No. 93, p. 142.

English Factory Laws proved abortive owing to the absence of a competent supervisory staff with sufficient executive powers, that the effectiveness of labour laws, however excellent their provisions, depends to a large extent on the efficiency of the service supervising their application. It was, therefore, an undoubted advance in colonial administration, putting Tanganyika ahead of most African territories, when, in 1926, a special labour department was established.

Its duties were, in the first place, to supervise the observation of the law in relation to labour conditions and, further, to suggest improvements in that field. A setback in the standard of supervision was inevitable when it was found necessary in 1931, partly for financial and partly for administrative reasons, to dissolve the department and transfer labour inspection to officers of the Provincial Administrations, in accordance with the practice of most African territories. When, after much public criticism, the undesirable state of affairs in the Lupa Goldfield was realized, it was decided to appoint special labour officers for that area; the establishment of a new Labour Inspectorate for the whole country was announced for 1938.[1]

It is hardly possible to state summarily how the general standard of labour conditions in Tanganyika compares with that in adjoining territories. If a difference exists, it is one of administrative practice rather than legislative principles. The fact that a greater number of natives than before 1914[2] take up work on estates without the intervention of a recruiting agent, may be taken as an indication that employment on the estates has become more attractive. But an equally, if not more, probable interpretation is that Tanganyika natives have become more used to seeking employment for wages and know how to find their way to the places of employment. Contract labour engaged by recruiting agents is at present confined to sisal estates, and even there it does not amount to more than 10 or 15 per cent. of the total labour employed.

The P.M.C. has taken a continuous and painstaking interest in labour conditions in Tanganyika. Its main function, that of drawing the attention of the mandatory Government to abuses and shortcomings, can in certain respects be performed more effectively in relation to labour conditions than in relation to most other aspects of colonial administration, because the issues under

[1] Annual Report for 1937, Colonial No. 148, p. 95.

[2] No figures are available showing the exact proportion of recruited and voluntary labour in the years before 1914, but recruiting was considered so much the normal method of obtaining labour that repeated demands were made by the estate owners to the Government to take over recruiting in order to secure their necessary labour supply, a request which was refused. See H. Waltz 'Die Pflanzungen der Europäer in unseren tropischen Kolonien' *Jahrbuch über die deutschen Kolonien*, 1912 and 1913.

supervision are more clearly defined by both the mandates and international labour conventions, and because in this field standards have come to be more generally accepted than in other branches of administration. The presence at the Commission's meetings of the head of the section of the I.L.O. dealing with native labour has certainly been of great help in applying these standards to conditions in the mandated territories.

It would be erroneous, however, to assume that in consequence of the larger amount of publicity given to labour conditions in mandated territories, they are of necessity superior to those in colonies proper. The history of Tanganyika provides at least two examples refuting this assumption.

The Report of the Committee on Labour Supply[1] drew the attention of the Government to the most unhealthy conditions prevailing in ginneries, where a large number of children were being employed without any safeguards in respect of excessive working hours and other abuses and perils. According to the report of a ginnery inspector, 'working in a ginnery can never be looked upon as a pleasant form of occupation, but when there is no outlet for the dust and fluff inseparable from the ginning of cotton, then it can only be considered as a mild form of purgatory. . . . While some ginners have gone to the expense of erecting labour lines of a permanent nature, which, although a great improvement on those of previous years, are still far from ideal for their purpose, other ginners have been content with hastily built grass bandas affording little or no protection from the rain, with a total absence of cooking or sanitary accommodation.' The Committee wound up its description with the exhortation: 'We invite the earnest attention of the Government to this matter of ginnery conditions, upon which we have written with more restraint than the subject deserves.'

Even more publicity was given to the unsatisfactory state in respect of labour and living conditions on the Lupa Goldfield. They have been discussed in the preceding chapter, where the part of the P.M.C. and other agencies in urging the Administration to apply remedial measures has also been described.

However, according to the Report of the Mines Division for 1938, 'the large number and wide distribution of mines and properties and the distances to be covered make it impossible to inspect every property even once a year.'[2] Inspection was, moreover, restricted to the main mining areas. This seems to indicate a standard well below that obtaining in several other African countries in a branch of labour administration generally considered essential for ensuring satisfactory conditions throughout.

In many other respects, labour conditions have been the

[1] *loc. cit.*, pp. 34/35. [2] *loc. cit.*, p. 90.

object of penetrating questions on the part of members of the P.M.C., and a great amount of interesting information has been extracted in this way. Most of the Commission's discussions are, however, of a somewhat academic character, and lack that freshness and reality which only contact with local conditions can convey. This becomes particularly clear when the discussions are compared with documents based on personal investigations in the country, such as the Report of the Reverend W. P. Young on Labour Conditions on the Lupa Goldfield, the Report by Major Orde-Browne on Labour in Tanganyika Territory, and similar publications relating to other territories. If the fact that members are denied the possibility of making investigations and forming impressions on the spot must be considered a deficiency of the Mandates System in general, the Commission's work is, perhaps, nowhere more hampered by this than in dealing with labour questions in which the human factor is of such paramount importance.

It cannot be ignored, moreover, that certain provisions of the mandate itself tend to render progress towards better labour conditions more difficult. The great number of nationalities among diggers on the Lupa proved a great obstacle to their co-operation in carrying out improvements. For the same reason it was found difficult to induce groups of sisal planters to establish collective health services for several estates.[1]

The diversity of nationalities amongst estate-owners and diggers is, however, a natural, and, in some respects, welcome consequence of the economic equality clause of the mandate.

3. GENERAL ECONOMIC AND FINANCIAL POLICY INFLUENCING THE SUPPLY OF LABOUR

Difficulties in obtaining the necessary labour force are not a new phenomenon in Africa. Ever since European enterprise was established, private employers complained of an insufficient labour supply, and Government officials maintained they were not able to dispense with compulsory powers in order to secure the necessary labour for administrative purposes and public works. Although the problem is outwardly the same wherever it appears, it is essential to realize that a shortage of labour may have different causes.

In the earlier stages of colonial development the natives' unfamiliarity with the work required, and therefore unwillingness to undertake it, is the main cause of labour shortage; added to this is a lack of responsiveness to inducements to earn a money income. As is well-known, direct taxes in the form of a poll or hut tax are the usual means applied to rouse natives to the

[1] Annual Report for 1929, Colonial No. 46, p. 46.

necessity of going out to work for cash. This is followed at a later stage by the awakening of new needs and of a taste for trade goods to be bought for money.

Another difficulty, not to be overcome immediately, is the absence of means of transport; it makes it impossible for natives in remote parts to reach the places of employment, or necessitates long journeys full of hardships and dangers. The construction of railways and roads, linking up populous native regions with the principal areas of European settlement and enterprise is, therefore, of great significance from the point of view of labour supply. Not only does it bring new resources of labour within the reach of estates, farms and mines, but it also allows a far better utilization of the available labour force by shortening the time spent on the journey.

Capital spent on the construction of means of communication, especially roads suitable for motor transport, reduces, moreover, the labour required for porterage, thus setting workers free for other kinds of employment. Temporarily, however, public works, especially the construction of railways, increase the demand for labour and compete with private employers for the available labour force.

Improved transport may, furthermore, be of consequence for the correlation of labour supply and demand. On the one hand, it often makes possible an extension of European settlement and plantations to areas where hitherto cultivation for export has been unprofitable owing to the high cost of marketing, and thus creates a new demand for labour; this is frequently met by labour from neighbouring districts which used formerly to travel to more distant areas of employment. On the other hand, the native producers get a chance, through better communications, of growing marketable crops for sale, either on the domestic market or for export. This latter development, which is frequently encouraged by the Administration, introduces a new factor apt to influence the supply of labour, viz., the possibility for the native to choose between working for an employer or cultivating marketable crops on his own land as a means of obtaining cash for the payment of taxes and the purchase of goods.

It is an almost general observation, reported from different African countries, that, wherever the native is at liberty to choose, he prefers to live as a peasant on his own land.

Even though this leads to a reduction of the available labour supply, it need not necessarily result in a contraction of European enterprise or even prevent its expansion. The natural economic reaction on the part of the employers is to attempt to use the available labour force more economically and to attract additional labour by offering better conditions and higher wages.

African enterprise, whether in agriculture, industry, mining or commerce, is at present almost universally based on plentiful, poorly paid and, therefore, inefficient labour. To transform this structure into one more like the industrial organization of further advanced countries must, of necessity, be a slow process. It means, in the first place, the introduction of, or increase in, machinery supplanting or supporting human labour and, further, the employment of fewer, but more efficient, workers who are worth and paid higher wages. No one with local knowledge will contest that there is plenty of room for a reorganization of this kind in Africa, nor that it can be carried out only gradually. But a development of this kind is bound to occur wherever non-native enterprise has to adjust itself to a limited or even declining labour force. This stage has been reached to-day in many African territories, particularly in those where mining is a strong competitor with agriculture for the available labour supply.

If, in the course of this development, the scope of non-native settlement and enterprise should be reduced, this would not necessarily be undesirable from an economic point of view, since it would help to determine where the line could best be drawn between the shares of non-native enterprise and of cultivation of the land by native peasants.

The stages outlined in the preceding paragraphs can easily be discerned in the development of the problem of labour supply in Tanganyika.

Ever since white settlement became of importance, the question of labour supply for European employers had been one of the main concerns of the Administration of German East Africa. The shortage of labour experienced by many employers before 1914 was partly due to the circumstance that large sections of the native population in remoter parts of the country had not yet taken to the habit of working for wages, partly to the lack of communications which prevented them from reaching the areas of demand and, finally, to the fact that the Government claimed a considerable proportion of the available labour supply. The situation became particularly acute in the years from 1910 to 1913, after a period of vigorous settlement and extension of European plantations and of railway construction carried out simultaneously for the Government.[1]

There were almost constant appeals from estate owners urging the Government to apply some compulsory measure to ensure a more satisfactory labour supply. As far as can be judged from available documents, the German Administration, although en-

[1] Between 1910 and 1912 the cultivable area increased by 132 per cent., the cultivated area by 62 per cent., the number of workers employed on plantations by 64 per cent. Waltz, *loc. cit.*, 1912, p. 102.

couraging and 'advising' natives to engage themselves for work on plantations and farms, did not apply direct compulsion in the interest of private employers. The only exceptions were the regulation in West Usambara mentioned above and the provision under which tax defaulters could be transferred to work for private employers.[1]

The railway construction, which was completed in the years preceding the war of 1914, opened up populous native areas in the central, western and northern parts of the territory and thus increased the sources of labour supply for European employers. Even then, however, a certain rivalry became apparent between native peasant production for sale and the claims of the estates for native labour, especially in the Mwanza district.[2]

In the mandatory period, the same factors influencing the labour supply and demand operated, but their relative importance changed gradually. In the first two or three years, the disorganization in the economic life of the territory—particularly the bad state of the plantations—added a further deterrent to natives leaving their home districts in order to take up work. The situation became critical in 1925, when the sisal industry experienced greater difficulties in obtaining labour than ever before. In the following year, through the extension of the Central Railway from Tabora to the densely populated Mwanza District and the construction of roads, particularly in the south and south west of the territory, new sources of labour were opened up, and journeys which used to take several weeks were shortened to a few days, or, at least, their hardships reduced by the erection of rest camps on the main routes. Another favourable factor was the increasing substitution of motor transport for porterage. Progress in this respect was, however, rather slow.

The economic depression, which began in 1930 and caused a sharp fall in the prices of the products of the territory, entailed a considerable decrease in the number of workers engaged by estates and a heavy reduction of wages. Many natives who had become used to a standard of living above mere subsistence level were deprived of the means to buy goods, and experienced great difficulty in obtaining the necessary cash for the payment of their taxes.

[1] According to Major G. St. J. Orde-Browne (Colonial No. 19, 1926, p. 26), a system of forced labour prevailed *de facto* if not *de lege* in the territory under German rule, and labour 'was naturally reluctant and troublesome and much inclined to desert.' This view which is also emphasized by Sir Donald Cameron (*My Tanganyika Service*, 1939, p. 192) is not supported by any measure on the German statute book. That 'persuasion' and 'advice' tendered to African natives by Government officials may easily turn into pressure is, of course, a well-known fact. 'There is a thin line', according to Sir Donald, 'in the case of people in this stage of development between advice and pressure.' (*loc. cit.* p. 215).

[2] Waltz, *loc. cit.*, 1913, p. 205.

With a view to preventing a serious setback in the standard of living and to protecting the country's revenue and balance of trade, the Government encouraged and assisted natives to cultivate more crops for export, such as coffee, cotton, rice, and groundnuts. This 'plant more crops campaign' met with a willing and, as it appears, lasting response. In the words of a Government memorandum of 1936: 'The result has been that in many areas the production of economic crops, far from requiring encouragement, has now become a habit, and many natives have come to regard the planting of cotton or groundnuts as the obvious way of meeting their need for cash.'[1]

In the years of recovery from 1934 onwards, the situation of the labour market again became difficult. The resumption and extension of non-native agricultural settlement and plantations, the increasing demand for labour in the mining industry and for public works, all contributed towards raising the demand for native manual labour considerably above the number of workers employed previous to the depression.

In 1936, the complaints of planters had become so insistent that the Government appointed a Committee 'to report and advise on Questions relating to the Supply and Welfare of Native Labour in Tanganyika.'

This Committee, on which settlers were strongly represented, made certain recommendations aiming at a better utilization of the available labour force. All these recommendations were made on the understanding that, first, 'While it is unquestionably in the interests of the native that he should adopt some form of active work, there can be no question of compelling him to do so by force'; and second, 'The growing of adequate food crops must be a first call on the native's time.'

It was recognized, moreover, that too big an exodus of males from an area is undesirable, and that 'the native is free to choose how he should work, although entitled to look to Government for advice as to the way he can most profitably do so.'[2]

Giving evidence to the Committee, some employers maintained that administrative officers in some areas interfered with this freedom of choice by ordering natives to cultivate economic crops and were thus largely responsible for the shortage of labour experienced by non-native enterprise.

The circular issued by the Government to administrative officers first in 1926, and in a revised form in 1933, recommends a general neutral attitude between the growing of economic crops and the taking up of work for wages by natives, but discloses nevertheless a certain bias for the former.

Nor is it possible, from the point of view of the mandate, to

[1] Report on Labour Supply, 1938, p. 13. [2] *Ibid.*, p. 14.

find fault with a policy directed to educating and assisting the bulk of the native population to become peasant producers on their own land. The fact that economic systems, based on production by native peasants for the market, have been successfully established in several other African countries lends additional justification to such a policy.

As pointed out previously, with the wasteful methods of work and the low wages obtaining at present in Africa, the shortage of labour can be described only as relative, that is to say, the labour supply is short of the demand and will become even more so in the future, if the present organization of farms and plantations is maintained. This organization reckons with a small output per head and a low wage rate paid to a relatively numerous labour force. It is further based on the assumption that the bulk of the workers are not exclusively dependent on work for wages in order to obtain their own and their family's livelihood. Those who engage themselves on neighbouring estates work also intermittently on their own land; those who have to travel from distant parts to the areas of employment return after six months, or at most a year, to their village where the land has been cultivated, in the meantime, by the women.

Although the emergence of a class of full-time wage earners permanently divorced from their tribal lands and settled with their families on, or in the vicinity of, their employer's land, is not entirely unknown, the process of detribalization is less advanced in Tanganyika than, for instance, in South Africa or even in Kenya.

The use of a smaller, more efficient and more highly paid labour force entails, therefore, not only a modification of the economic structure of non-native agriculture, but also an acceleration in the disintegration of the tribal organization of native society, a process which up to the present the Administration has attempted to slow down, if not to prevent. A gradual development in this direction seems, however, inevitable.

Even if a thorough re-organization of non-native agriculture may be considered impracticable at present, a gradual rise in wages appears desirable and inevitable. It is doubtful, however, whether the introduction of a legal minimum wage, as frequently urged by the P.M.C. and recommended by the Committee on Labour Supply, would be the best method of achieving that aim, as it would introduce into the economic system an element of rigidity which may prove even more harmful in a colonial than in a more developed country.[1]

Actually the share of native labour in the proceeds, particularly

[1] An Ordinance to provide for the Creation of Wage Fixing Machinery was enacted in 1939, but has not been applied so far. Its main object is to secure the appointment of a Wage Board for each particular occupation for which it is proposed to fix a minimum wage.

of the sisal industry, has risen considerably in the last ten or fifteen years; this rise, however, has taken not so much the form of an increase in individual wages, as of improvements in general conditions—better housing, improved sanitary conditions, and greater medical care bestowed upon workers. The imposition of a minimum wage above the present general level may easily result in putting a halt to the further improvement of these general conditions for which there is still ample room. There is also the potential danger, proved to be a real one in other countries, that the statutory minimum wage will tend to become the maximum wage which employers are willing to pay, and may thus develop into an obstacle to the rise in the income and standard of living of the more skilled and industrious workers.

The discrimination practised by natives themselves in the preference shown for estates offering good general conditions is in itself a useful process of selection; it will help to bring into line the more backward estates and lead gradually to a rise in wages.

The dominant factors influencing the labour situation in Tanganyika, at present, may thus be summed up as follows:[1]

On the demand side, an increasing competition for the available labour supply both between plantations, farms, and mines, and between the older areas of non-native agriculture and settlement in the north and north east and the areas only recently opened up to white settlement in the south and south west. By the development of the newer areas, labour which used to migrate to the distant coastal areas now finds employment in the neighbourhood of its home districts.

On the supply side, the increasingly successful cultivation of marketable crops by natives on their own land which gives them a greater independence in choosing how to secure their livelihood, and the undoubted preference of many natives for the life of a peasant producer to that of a wage earner.

In view of this situation, a mere profession of neutrality on the part of the Administration appears inadequate.

In his comment on Major Orde-Browne's Report on 'Labour in the Tanganyika Territory', Sir Donald Cameron, after emphasizing the attitude of neutrality so far taken up by the Administration towards the competing claims of native peasant cultivation and labour for the plantations, continued: 'To my mind there is

[1] The question whether additional labour might be obtained from adjoining territories need not be examined. It appears unlikely that the British countries to the South—Nyasaland and Northern Rhodesia—will have to spare more native workers than they send now to the Lupa Goldfield; the employment of natives from the densely populated Belgian Mandated Territory seems to be impracticable owing to climatic conditions. Whether natives from Portuguese East Africa might be obtained as workers would depend not only on their willingness to engage themselves for work in Tanganyika, but also on that of their Government to allow them to do so.

strong reason for believing that if departure is made from this policy in the direction of active inducement of the native by the administrative officers to take up cultivation on his own account throughout the Territory, expansion of non-native cultivation must cease. If, therefore, the policy is changed in the direction I have indicated, it will be advisable that the Government should declare definitely that it has abandoned the neutrality policy and adopted another one; if it does not make that declaration, non-natives who invest money in agricultural undertakings in Tanganyika in ignorance of the fact that the Government has abandoned the neutrality policy, will receive injury, the country will get a bad name, and capital will be driven away.'[1]

This warning was expressed at a time when relatively little new land had been leased to non-natives, apart from the areas alienated under German rule. Nor could the extent be foreseen to which labour would be required by the mining industry and ancillary trades ten years later, or the increase which would take place in native agricultural production.

The acreage of alienated land quoted in Chapter IV shows clearly that the Administration has pursued a fairly vigorous policy of non-native settlement, particularly between 1926 and 1930, and again from 1935.

This dual policy of furthering at once non-native planting and farming enterprise and also cultivation of marketable crops by natives on their own land has never been officially renounced. It may be maintained that the 'plant more crops campaign,' initiated in the first place as a temporary remedy against the disastrous consequences of the economic depression, was not the departure envisaged by Sir Donald Cameron.

However this may be, the campaign presented a strong inducement to natives to extend cultivation of their own land, and it has considerably succeeded in turning native energies and aspirations towards becoming peasant producers for the market.

The situation which developed on the labour market between 1934 and 1939 makes it clear that, in allowing further expansion of white settlement, attention will have to be given by the Government, not only to the land available without prejudice to native development, but also to the supply of native labour obtainable without resort to pressure.

Before a decision can be made defining more clearly the limits of non-native settlement, a more thorough investigation will be needed of the effects which increased cultivation of commercial crops by native peasants has on the labour supply. Such an investigation is the more essential since, according to a view held in some quarters, increased production on native land need not

[1] Colonial No. 19, 1926, p. 12.

in all circumstances have an unfavourable effect on the labour supply of the areas concerned.[1]

It appears that in certain advanced districts of Kenya, where the construction of railways or roads has reduced the time and labour required for the marketing of the produce, some sections of the population have shown themselves willing to engage themselves for wages in their spare time, and that the general change in their outlook and the greater physical mobility have made them more inclined to take on work in another district. A more general evolution towards individual ownership, or at least occupation, of the land will also result in setting labour free for work outside the native areas.

It would be hardly in the country's interest to draw for all time a hard and fast line beyond which non-native enterprise must not proceed; revisions and adaptations will become necessary as the country passes beyond the present stage of development. However, this does not free the Administration from the obligation to face the fact that there are limits to the further expansion of non-native enterprise, if the stipulations of the mandate towards the native population are not only to be observed at the present time, but their fulfilment ensured in the more distant future, too. The readiness and courage to give recognition to this fact may well prove the outstanding test for the effectiveness of the Mandates System in its paramount aspect.

[1] *Ibid.* p. 72.

CHAPTER VIII

OPENINGS FOR ADVANCED NATIVES AND GENERAL CONDITIONS FOR THE PROGRESS OF THE AFRICAN POPULATION

THE question whether the native is given a free choice to live either as a peasant on his own land or to work for a non-native employer is of fundamental importance, not only from an economic, but also from a sociological point of view. It means that the evolution of the territory need not lead to the division of the population into a relatively small non-African employing class, on the one hand, and on the other, the bulk of the African population, becoming more and more dependent as wage earners on employment by non-natives. The prevention of such a development—as has occurred in the Union of South Africa—must be one of the chief objects of any colonial policy based on the principle of native trusteeship. The decisive criterion in the economic field is whether the native is allowed to develop an economic system of his own, that is to say, a system which, although connected by many links with non-native enterprise inside and outside his territory, is not made subservient to the needs of any non-African community.

Important as the development of a progressive and prosperous native peasantry is from this point of view, there are other conditions which must be fulfilled if the future economic independence of African society is to be ensured. The main factors are the opportunities and help which are given to Africans to follow other occupations besides that of a peasant or an unskilled labourer.

The degree to which such a development can take place depends on the economic and social structure of the country in general, in so far as it determines the kind of work natives can aspire to undertake, and on the system of education in particular.

The first steps towards a more diversified structure of native society, involving the emancipation of individual natives from the traditional way of living, are either taking up the occupations of trader or artisan, or entrance into the service of the Government or private employers as clerks, mechanics, and so on.

1. NATIVES AS TRADERS AND EMPLOYEES—COMPETITION BY INDIANS

The development in the West African territories shows that trading activities have been taken up with great success by enterprising Africans either as more or less independent traders or as

agents of European firms; the accumulation of a certain amount of wealth by individuals is mainly due to profits earned in commerce.[1]

If in East Africa this process is not nearly as far advanced as on the West Coast, this must no doubt be attributed, first, to the different economic structure of most of the East African countries which provides fewer openings for African middlemen than, for instance, the cocoa industry in the Gold Coast and Nigeria; and second, to the fact that in East Africa the respective occupations are to a large extent in the hands of Asians, particularly Indians. Where the West African has found a clear field, apart from the trading activities of a small number of Syrians, the East African has to compete against the members of a more advanced and experienced race long established in the trade of the respective countries.

It would, of course, be misleading to disregard the part the Indian trader performs in assisting East Africans to attain a more civilized mode of living. According to a memorandum by the Administration of Tanganyika on the position of 'The Indian Trader',[2]—'he penetrates and settles in the most distant areas, plays no small part in the encouragement of local native agriculture, and brings the products of civilization almost to the native's door.' Moreover, 'all the evidence goes to show that native and non-native trade are complementary and non-antagonistic'; while the retail and intermediary trade between native producers and exporting firms is predominantly in the hands of Indians, 'there are a large number of itinerant (native) traders who work as subsidiaries or agents of the Indian traders in the trading centres.' Further, it is pointed out, the native is given every encouragement to engage in trade and enjoys several important advantages in the way of considerably lower licensing fees,[3] less onerous conditions with regard to the buildings in which trade may be carried on, as well as freedom from rent if he establishes himself as a trader on his tribal plot. The fact that, in spite of these advantages, very few natives have so far taken up trading is, in the opinion of the Administration, evidence of little aptitude or inclination to do so.

However, in view of the fact that in other parts of the continent Africans engage successfully in trade, some even on a large scale, it is impossible to dismiss as groundless the view that the large number of Indians established in commerce makes it more difficult for natives in East Africa to build up a trading business.

[1] Details about this development in the Gold Coast, where it is furthest advanced, are given in the Report of the Commission on the Marketing of West African Cocoa. Cmd. 5845, 1938, p. 20.

[2] Colonial, No. 148, 1938, pp. 72 seq.

[3] 20 shillings against sums ranging between 50 and 300 shillings for non-natives.

However useful the activities of Indian traders may be for the general development of the country, and however difficult it would be to replace them at the present stage, there seems to be a certain incompatibility between the paramount object of the Mandates System, demanding that the African should be helped to stand on his own feet, and the economic equality clause which rules out any restriction on the immigration of the nationals of a particular country, so long as that country is a member of the League.

The possibility of a conflict between the two stipulations has not escaped the attention of the P.M.C. The point was brought up as early as 1924, and Mr. Ormsby-Gore, who then represented the mandatory Power before the Commission, admitted that the increasing immigration of Indians into Tanganyika gave rise to some anxiety.[1]

However, no measure to restrict the influx of Indians was applied, and in 1931 the number of Indians had increased to 23,422 most of whom were engaged in trade.[2]

It can hardly be denied that the rigid stipulation of the mandate, which deprives the Administration of all power to regulate the racial composition of immigrant communities, may prevent action which is desirable from the point of view of native development. A universal restriction of immigration, which alone might be considered admissible—even this is open to doubt—would not meet the situation, since a certain amount of European immigration is in the interest of the country.

Africans appear to encounter less difficulties in overcoming the competition by Asians in other occupations. African artisans and mechanics, for instance, advance slowly, but steadily, and, owing to their lower standard of living, are apt to oust the Indian, whenever they are able to perform the job.

While in the case of private employers the allocation of work as between different races is decided by competition, the Government can, within certain limits, apply a deliberate policy, and has on various occasions asserted its intention to employ, wherever practicable, Africans.

In 1938, the African staff in Government employment, exclusive of railway employees as well as Military and Police ranks, amounted to 3,903 as against 940 Europeans and 758 Asians. Although this is not impressive if considered in relation to the numerical strength of the three racial communities, the employment of Africans in the service of the Administration has been gradually advanced in proportion to that of persons belonging to other races, accounting for 66.3 per cent. of the total number employed in 1931 and for 69.5 per cent. in 1938.

[1] P.M.C. 4th Session, 1924, p. 96. [2] See Chapter III.

Sir Donald Cameron, in his Memoirs, expressed himself as dissatisfied with the progress made in the employment of natives in Government posts and thought that a better result might have been expected after twelve years of Government-aided education. 'I find from the Annual Report for 1937 that out of eighteen clerks in the Secretariat fourteen at least were foreigners, and that in the Customs Department 100 out of 119 were from Asia; that in the Treasury thirty-seven out of thirty-nine were foreigners.'[1]

The insufficiency of supply of native candidates for higher positions in the Government service was due, in his view, to the fact that too few Tanganyika natives had had an opportunity of acquiring a post-secondary education enabling them to qualify for professional and technical posts.

Further openings for a larger number of trained Africans will, however, have to be sought probably not so much by displacement of non-Africans as by an increased demand on the part of Native Administrations. The extent to which they prove themselves willing and capable to make use of the services of trained and educated Africans is the crucial test whether Native Administrations as established by the mandatory Government are to be regarded as agencies of economic and social progress or rather as strongholds of traditional forms of organization. Even now, the service of Native Administrations provides a fairly large variety of jobs, but it seems that few of them are whole-time posts, and that a small number of natives only occupy influential positions, in addition to those holding them by traditional right.

The budget for 1937 of Bukoba Central Native Treasury, the largest Native Administration of the territory, for instance, provides—besides the emoluments of eight chiefs, fifty-two subchiefs and 532 village headmen—salaries for the Secretary, Treasurer, and Assistant Treasurer of the Central Agency; for a certain number of clerks, tribal messengers, ferrymen, market masters, for one motor driver, one medical school teacher, for several tribal dressers, sweepers, nurses, teachers, agricultural instructors, veterinary, and forestry staff.[2]

Next to the increase in wealth of native society as a whole, the most important factor determining the progress of individual Africans is the educational facilities open to them.

[1] *My Tanganyika Service*, p. 128. Sir Donald based his conclusions on the figures of 1937; conditions were somewhat more favourable, from the natives' point of view, in 1938. The Africans employed are, moreover, not necessarily all Tanganyika natives. Of 243 recruits enlisted by the Police, for instance, in 1938 fifty-seven were aliens.

[2] Annual Reports of Provincial Commissioners for 1937, Appendix II.

2. THE EDUCATIONAL SYSTEM AND ITS INFLUENCE ON NATIVE PROGRESS

In general, educational policy in Tanganyika has been guided by the principles enunciated by the Advisory Committee on Education in the Colonies in its memorandum on 'Native Education in British Tropical Africa'.[1] 'The first task is to raise the standard alike of character and efficiency of the bulk of the people, but provision must also be made for the training of those who are required to fill posts in the administrative and technical services, as well as those who, as chiefs, will occupy positions of exceptional trust and responsibility. As resources permit, the door of advancement through higher education in Africa must be increasingly opened for those who, by character, ability and temperament, show themselves fitted to profit by such education.'[2]

Two distinct periods are discernible in the policy applied to native education under the mandate—1925 to 1932—when expenditure rose rapidly and a considerable number of schools conferring some kind of clerical or technical training were set up; and from 1933 onwards, when a much more cautious policy with regard both to allocations and the training of native clerks and artisans was adopted.

During the first years of the mandate, the Administration was mainly concerned with re-opening schools which had been established by the German Government and relinquished during the war; the same applied to schools run by missions which had been responsible for the greater part of the educational work before 1914.[3]

A more deliberate policy was adopted from 1925 onwards when an Advisory Committee on Native Education in British Tropical Colonies helped towards a clearer definition of leading principles. In addition, the educational survey of conditions in East Africa, which was carried out in 1924 by the American Phelps-Stokes Committee, had spread a wider recognition of the important part education has to perform in furthering the progress of Africans.

[1] Published in 1925 (Cmd. 2374), reprinted in 1936. The general lines of educational policy in British colonial territories in Africa are set out in the very informative Chapter XVIII of *An African Survey*.

[2] *loc. cit.*, p. 4.

[3] In 1914 there were in the territory ninety-nine Government schools attended by 6,100 pupils, whilst 108,550 children received some kind of teaching at a number of mission schools of various denominations. It is interesting to note that even then the British University and Church Missionary Society had more schools (333) as well as pupils (17,357) than any other Protestant mission.

The chief innovation introduced in 1925 was the allocation of grants-in-aid, on a fairly wide scale, to missions whose schools attained an approved standard of efficiency and fulfilled certain other conditions laid down by the Government.

At the same time, the Government, too, undertook to establish more schools, particularly for education beyond primary education in the vernacular. This was done by opening so-called central schools which were designed to give a modest secondary education enabling natives to take up employment in the lower ranks of clerks and as artisans. In addition, a certain number of industrial schools were set up by the Government, as well as by missions, where natives received a technical training, particularly that required for various Government departments. A more advanced form of education was made available for a small number of natives at the Government school in Tabora and at four assisted mission schools. From Tabora a few pupils proceeded to Makerere College in Uganda with a view to undergoing an advanced teachers' course or to be trained as medical assistants.

The number of teachers, European as well as native, at the different kinds of schools increased considerably between 1925 and 1931, and public expenditure on education, exclusive of sums spent on the construction and upkeep of schools, rose from £27,558 to £107,726. The percentage of total ordinary expenditure allocated to education rose from 2.5 to 6.6. It was the largest increase granted to any department during the period. Sir Sidney Armitage-Smith challenged it as excessive, particularly as, in his view, the object to be attained had not always been clear.[1]

The whole system of education, as built up since 1925, was made the subject of a searching review and criticism in a memorandum by the Director of Education in 1934,[2] when it had become necessary to enforce a severe reduction of expenditure and a general curtailment of educational activities.

The memorandum stated that out of approximately 1,000,000 native children of school age not more than 167,422 were on the school register, and only 100,000 attended regularly some kind of school. 164,573 children were on the register of elementary vernacular schools, but 157,851 of these went to one of the 3,000 missionary bush schools, most of which did not reach the standard entitling them to a grant from the Government.[3] Even this standard consisted only of a vernacular course of four years, representing, in the opinion of the author, the very minimum of provision against illiteracy. It was attained by 173 mission schools

[1] *loc. cit.*, p. 62.

[2] Annual Report for 1934. Colonial No. 105, 1935, pp. 158 seq.

[3] These were the figures for 1931, a peak year from the point of view of native education. In subsequent years the figures for pupils as well as schools dropped.

whilst the Government was directly responsible for 89 elementary schools attended by approximately 6,700 children.[1]

These figures did not reveal a satisfactory state of affairs in respect of the most important kind of education, and the Director of Education proposed 'to adjust grants-in-aid, so that less is provided for large central institutions, and more is made available for elementary village schools.'[2]

The results of a policy under which considerable sums—which might have been spent on elementary education—went to finance central schools were the more unsatisfactory since these schools,[3] which were meant in the first place to equip natives for posts as clerks in public and private employment, led only up to Standard VI. 'This standard does not place the African in a position to compete successfully in the more remunerative employment markets of the Territory.'

Industrial schools, of which there were seven Government and fifteen assisted mission schools, were equally found to be too numerous, and during the depression there were many natives trained either in a central or an industrial school 'who were unable to find a niche in the social system unless they returned to the land, and they discontentedly averred that they had been misled and that Government had wasted their time at school.'

It was admitted that under the existing grants-in-aid code, missionary societies had been encouraged to establish central and industrial schools, 'before elementary vernacular education had adequately developed.'[4] With a view to furthering elementary vernacular education, the establishment of training institutions for native teachers was recommended. In pursuance of these recommendations by the Director of Education, the number of Government schools providing industrial and vocational education was considerably reduced; missions were likewise obliged, by lack of resources, to curtail this part of their educational activities. By closer collaboration between the Department of Education and other Government departments it was hoped, moreover, to adjust the output of trained natives to the requirements of the chief employing agencies and to avoid the danger inherent in a superabundance of trained Africans unable to make use of their acquired capabilities.

It appears, however, that the policy of restricting the output of natives with a clerical or technical training has been carried too far, even taking into account only the requirements of Govern-

[1] A few of the schools, mainly financed by the Government, were actually run by Native Administrations.

[2] *loc. cit.*, p. 160.

[3] In 1931 there existed eight Government and fifteen assisted mission central schools.

[4] *loc. cit.*, p. 163.

ment departments, most of which complained of a shortage of suitable African applicants in subsequent years.

The Police Force, for instance, was unable to obtain suitable recruits from the central schools, owing to the large demands by other Government departments, and started schools of its own for the native rank and file.[1]

Similarly, the Posts and Telegraphs Department reported difficulties in attracting native youths with an adequate general education and contemplated opening a departmental school for their staff.

Government and Native Administration village schools applied in 1937 for over 150 teachers who had undergone vocational training at the Mpwapwa Government Normal School, but less than fifty could be provided.[2] The number of boys passing yearly the Non-European Clerks examination at the Government school at Tabora, too, remained below the demand.

The situation thus revealed cannot be considered as satisfactory. While it may be justified, in times of financial stress, to adapt the output of pupils trained for clerical posts or skilled manual work to the calculable demand of Government departments, more prosperous times require a more generous policy. Such a policy should not content itself with meeting existing requirements, but should try to stimulate the employment of Africans beyond the field of unskilled labour by providing suitable candidates for various activities. A shortage of trained native applicants in nearly every Government department entails, moreover, the danger that all natives who have undergone some higher education will come to look upon administrative posts as the natural kind of employment, a development which is not altogether desirable.

The same danger of exclusive reliance on employment by Government departments is imminent if an important portion of general education is transferred to schools set up by these departments.

That—apart from work with Non-African private employers—native society itself has room for trained craftsmen, is shown by the following facts reported in 1937.[3] In three Government primary schools situated in agricultural areas a 'Rural Industries Course' was started with a view, 'primarily to produce handymen, i.e. farmers who can undertake their own running repairs, and, if necessary, build and furnish their own houses.' So far, however, the scheme has not had the expected success; partly from lack of teachers able to give the necessary instruction and partly because most of the lads who had completed the three years' course did not return to their villages, but accepted employment in some capacity under the Native Administrations.

[1] Annual Report for 1937, Colonial No. 148, pp. 85 and 127.
[2] *Ibid*, p. 127. [3] *Ibid.*, p. 125.

No one will contest that education in the narrow sense of schooling is only one way amongst others of raising the cultural standard of a people, and few will find fault with the dictum of the Chief Secretary of Tanganyika 'that for every £ spent on education, at least £10 should be spent on the improvement of the living conditions of the natives.'[1]

Nor can it be maintained, if the whole of the mandatory period is considered, that education has been grudged the means for its further development. The preceding survey, based on authoritative testimony, makes manifest, however, that the means made available have not always been wisely spent, and that there has been a great deal of uncertainty in respect of the line to be pursued in educational policy.

In addition, aims, which were generally recognized as of primary importance, have not always been followed up with the necessary energy. This applies particularly to the slow advance in providing training facilities for African teachers, although this had been emphasized as one of the essential objects to be attained at an early stage.

The fact that conditions in Tanganyika, in this respect, compare not unfavourably with those in several other East African territories—particularly Kenya—can hardly be quoted as an excuse for this delay. Uganda is better provided with facilities for the training of African teachers than any of the other East African countries.[2]

A particularly unfortunate result of the policy pursued in Tanganyika up to 1934 was that the activities and limited means of missions were directed by an ill-advised grants-in-aid code to a disproportionate degree towards industrial education before elementary vernacular education had been adequately developed.

Nevertheless, some progress appears to have been made in the extension, as well as in the standard, of native primary education under the new scheme adopted in 1934.

According to figures published for 1938, 73,000 children[3] were on the roll of 'registered schools', that is to say, institutions recognized as schools, though not all assisted by the Government, the criterion for recognition being that they are staffed by teachers who have obtained a teaching certificate, or at least attended for some time a teachers' training school.[4] In addition, it is assumed that over 190,000 children visited non-certified mission schools 'varying in efficiency and construction from the veriest hedge schools to those which may very soon qualify for registration.'

[1] Mr. Mackenzie-Kennedy. P.M.C. 34th Session, 1938, p. 155.

[2] See for details *An African Survey*, p. 1,215.

[3] The average attendance was, however, only 54,000. See Annual Report for 1938, Colonial No. 165, pp. 127–128.

[4] *Ibid*, p. 120.

These figures indicate that approximately one-fifth to one-quarter of all native children of school age go to some kind of school. This compares unfavourably with Uganda, where, in 1937, one-third of the children of school age were assumed to be on the register of some school.[1] Since, however, five-sixths of these were believed to go to ungraded bush schools, the standard attained in primary education appears to be higher in Tanganyika.

At the other end of the scale, the development of Makerere College into a Higher College, and later on into an institution of university standard, will provide Tanganyika students, as those of other British countries in East Africa, with facilities for attaining qualifications in a wider range of professions. It may seem surprising in this connection that, according to estimates based on information from various Government departments, Tanganyika will need, within the next ten years, only 187 students from the Higher College as against 331 and 405 required by Kenya and Uganda respectively.[2] One might conclude from this that, in spite of a more numerous native population, Government departments in Tanganyika are to a lesser degree organized with a view to employing educated Africans than those in the two neighbouring territories. However, since, according to the Commission, the figures are of varying accuracy and partly based on guess-work, or 'upon a purely departmental view of the problem', it is not advisable to attribute too much importance to them.

In due recognition of their importance for the material as well as moral and cultural progress of the population, educational measures have been from the very first a principal concern of the P.M.C. The member in charge of the Education chapter was first, a Swede, Madame Bugge-Wicksell, and later, a Norwegian, Mademoiselle Dannevig. Both were school teachers without, apparently, any personal experience of colonial conditions. Several other members of the Commission likewise took a sustained interest in the educational policy of the mandatory Administration.

An important point which members endeavoured to impress upon the Administration was that the Government should make some provision for the education of African girls, until then left entirely to missionary effort. The first Government school for native girls in the territory, which was opened in 1929 at Dar es Salaam was owed, at least partly, to insistent inquiries and reminders, particularly by Mademoiselle Dannevig. Two more girls' schools were established later in Tanga and Tabora, and provision for the teaching of girls was also made at some of the

[1] Report of the Commission on Higher Education in East Africa, 1937, Colonial No. 142, p. 39.

[2] *Ibid.*, p. 23.

village schools. A beginning was made, moreover, with the training of African women teachers, a question in which the P.M.C. took likewise a lively interest.

In 1938, the number of girl pupils in Government schools amounted to 772, while 21,165 attended mission schools.[1] With the appointment of a Supervisor of Female Education in 1938 further advancement in the education of African girls is to be expected.

Another improvement due to demands by the Commission is a better presentation of figures relating to schools in such a way as to allow of a comparison between the education of Europeans, Asians, and Africans respectively. Up to 1934, figures giving the expenditure on education per pupil lumped all races together and were, therefore, detached from all reality.[2]

While the collaboration of the P.M.C. has thus proved of indisputable value in relation to some aspects, the treatment which native education has received in the discussions and observations of the P.M.C. cannot be described as altogether fortunate. It clearly brings out the dangers inherent in a system of supervision under which an Administration is obliged to report year by year the achievements of a policy which, in the nature of things, cannot but be slow to produce results . The temptation to apply measures apt to testify to progress which is more spectacular than solid may not always be withstood in these circumstances.

The questions asked and the suggestions offered, particularly by the member charged, during the greater part of the period, with the examination of the Education chapter, were dominated by the tendency to urge on the Administration increased expenditure on native education, and did not sufficiently take into account the ultimate aims and soundness of the policy to be financed. Moreover, they sometimes betray a lack of understanding with regard to economic and financial realities.

In 1929, when the sum allocated to native education had increased by nearly 300 per cent., as compared with 1925–1926, Mlle. Dannevig criticized the percentage of the proceeds from hut and poll tax earmarked for education (8.44 per cent.) as too low, and, notwithstanding the fact that estimates for the following two years provided further considerable increases, declared that the amount spent on education per head of the population (3*d.*) 'did not appear to be a large sum for so rich (!) a country.'[3]

Even in the trough of the economic depression, when expenditure on education had risen to 6.25*d.* per head of the population, she considered this amount as 'not very high as compared with other expenditure.'[4] In the preceding year, when the amount

[1] Colonial No. 165, p. 123.
[2] For the financial aspect of the matter see chapter XI.
[3] P.M.C. 15th Session, 1929, p. 126.
[4] P.M.C. 21st Session, 1931, p. 37.

spent on education had been the same, another member, Lord Lugard, had expressed the view, 'that the percentage of revenue spent on education was very satisfactory.'[1] In 1934, when the country slowly began to recover from the depression, Mlle. Dannevig inquired 'whether 10.58 per cent. of the hut and poll tax was considered a reasonable amount to be spent on native education.'[2]

Nor is a comparison of the sums allocated in the general Budget to European, Indian, and African education respectively a sound method of ascertaining the sufficiency of the sums spent on African education. Though such a comparison is not uninteresting from a financial point of view, the wide divergence in the cultural level of the various communities makes it necessary to consider the provision of schools for each on its own merits. The method of reasoning applied leaves out of account, moreover, the sums spent by other bodies, particularly missions in the case of Africans, as well as the sums contributed in fees or otherwise by each racial community towards the education of their children.

No one will dispute the right of the P.M.C. to make improved educational facilities for natives one of its principal concerns. It is certainly the duty of the Commission to exhort an unenterprising Administration to assist in the provision of schools and even to go ahead in introducing types of educational institutions new to the country. However, education, if it is to serve a country's progress, cannot be detached from its general stage of development, and must remain in keeping with its economic and financial resources. Sums allocated to schools regardless of these other factors may not always produce beneficial results.

The educational policy applied in Tanganyika, inducing as it did, first, a rapid increase in expenditure without giving the country the native education it needed most, and then a severe contraction of educational institutions, appears as one of the least fortunate chapters in the history of the country under mandate. It is hardly possible to release the P.M.C. from a share of responsibility for a not very well thought-out policy, in view of the constant exhortations to higher allocations by the member mainly interested in the subject. The whole chapter throws light on one of the dangers of supervision by an outside body not financially responsible, and it may help to lessen this danger in the future.

[1] P.M.C. 18th Session, 1930, p. 37. Actually per head figures for those years are of little value, since they are calculated on the basis of expenditure for the education of all races. The proper method of calculation, moreover, would be expenditure for each racial community per child of school age, not per head of the total population.

[2] P.M.C. 25th Session, 1934, p. 116.

CHAPTER IX

FOREIGN TRADE POLICY

TURNING to the trade policy of a territory under B mandate the most obvious question is how the economic equality clause of the mandate is being observed. This, however, is not the only angle from which the customs tariff and other fiscal measures should be examined. The trade policy may have a decisive influence on the development of a country's resources, and it is apt to have a marked effect on the standard of living of the population. In colonial countries therefore, it is of concern for general economic as well as for native policy.

The external trade policy of Tanganyika is largely determined by two outstanding facts, one of which follows from the economic equality clause, while the other constitutes an exception to it sanctioned by the mandate; first, the fact that it is governed by the open door, and, second, that Tanganyika has entered a customs union with the two adjoining British territories, Kenya and Uganda, and has, in consequence, with minor deviations the same customs tariff as these two countries.

1. THE OPEN DOOR, ITS LEGAL FOUNDATIONS AND GENERAL SIGNIFICANCE

As far as the open door is concerned, the régime is, in principle, not different from that applied under German rule. There have been, however, important modifications with regard to the legal instruments by which the open door is secured, as well as in the actual regulations governing the trade of the territory.

The fiscal régime of the German colonies was quite generally one of the open door.[1] In German East Africa, a non-differential tariff was in addition stipulated by the Congo Basin Treaties—the Acts of Berlin (1885) and of Brussels (1890). The Act of 1885 laid down that in a wide area of Central Africa, extending from the Atlantic to the Indian Ocean and from the Zambesi to the Southern parts of Italian Somaliland and the Anglo-Egyptian Sudan, 'the trade of all nations shall enjoy complete freedom.' (Art. 1) Since 1890, import duties applying equally to imports from all countries were allowed up to a maximum of 10 per cent. *ad valorem.*

This regulation was replaced, in 1919, by the Convention of

[1] K. Kucklentz, 'Zölle und Zolltariffe' in *Deutsches Koloniallexikon* and *Das Zollwesen der deutschen Schutzgebeite*, 1913. See further United States Tariff Commission, *Colonial Tariff Policies*, ch. IV, 1922, and B. Gerig, *The Open Door and the Mandates System*, Allen & Unwin, 1930, p. 62.

St. Germain-en-Laye. While leaving unaltered the area to which the open door applied, it introduced several important modifications. The claim to equal economic treatment was restricted to the signatory states of the Convention—Great Britain, Belgium, France, Japan, Portugal, Italy, and the United States—and to those Member States of the League of Nations which had signed the former Acts and declared their adherence to the new Convention.

Another group of States which had signed the Acts of Berlin and Brussels, but had not been parties to the peace treaties, continued to enjoy the rights derived from the earlier Acts. This applied to the Scandinavian countries, Spain, the Netherlands, Russia, and Persia.

States which were excluded from membership of the League for the time being, and had, in the peace treaties, renounced all rights enjoyed under the former Acts—Germany, Austria, Hungary, and Turkey—were able, after a few years, to secure equal economic treatment in the area by bilateral treaties with the States wielding authority over the respective territories. In this way, Germany obtained economic equality after 1925.

The same way was open to States which, though members of the League, had not signed the Acts of Berlin and Brussels.

The open door therefore rested on much more varied international commitments, although it applied in fact to much the same States as hitherto, at least after 1925.[1]

Further, the Convention of St. Germain abolished the limit of 10 per cent. *ad valorem* for import duties levied on goods entering a country within the area. It thus afforded greater freedom to colonial Governments in the framing of their customs policy and opened the way to a considerably higher customs level in all the countries concerned.

In addition to the obligation under the Convention of St. Germain, 'equal opportunities for the trade and commerce of other Members of the League' are secured in the territories under B mandate by Article 22 of the League Covenant and, in greater detail, by the different mandates.

For Tanganyika and the other territories under B mandate (as well as those under A mandate) the economic equality clause of the mandates means:

First, that they are not able to negotiate and conclude bargains with other countries on the basis of reciprocal concessions;

and secondly, that they may neither accord preferential treatment to goods from the mandatory country nor apply discrimin-

[1] For a lucid exposition of the whole situation, particularly from a legal point of view, see Geoffrey de Courcel, *L'Influence de la Conférence de Berlin de 1885 sur le Droît Colonial International*, 1936. See also the present author's memorandum on African Trade Policy and Trade, p. 11.

atory measures against the imports from any particular foreign country. The first circumstance is thought by some to affect unfavourably the position of the territories as exporters of produce to the world's markets, while the second is of decisive importance for their import trade.

2. THE POSITION OF THE MANDATED TERRITORY AS EXPORTER

Owing to the unilateral open door the territories under A and B mandate cannot bargain for commercial advantages. The countries which are assured of economic equality on their markets are under no obligation to grant most favoured nation treatment or to accord import quotas to the products of such a territory, or to release currency for purchases from it. It is, therefore, an obvious duty of the mandatory Power to see to it that a mandated territory finds at least no greater difficulties in disposing of its exports than other colonial territories.

There are two different ways of discharging this duty which are not exclusive of each other:

Throwing open the market of the Home Country under conditions no less favourable than those accorded to the colonies of the respective Power;

and attempting to secure foreign markets for the territory's exports under the best possible conditions.

Tanganyika, as the other territories under B mandate administered by Great Britain, enjoys the same preferential treatment of its produce on import into the United Kingdom as do the Dominions and Crown Colonies. Tanganyika is mainly interested in the reduction of the revenue duties on coffee and sugar and latterly on tea also. Cotton and sisal, two other important Tanganyika exports, are exempt from import duty in Great Britain from wherever they are consigned.

Tanganyika is, moreover, included in the number of British and colonial dependencies which have been granted preferences by some of the Dominions on the basis of the Ottawa Agreements. So far, however, these preferences have not been of great importance for the country's export trade.

The extension to the mandated territories of trade preferences accorded by a country to its colonies appears necessary, since, otherwise, the existence of the mandate would be greatly prejudicial to the interests of the respective territories.[1]

A question arising in this connection is whether such preference accorded by the mandatory Power to produce from the

[1] The situation is somewhat different in the case of the countries under A mandate to whom imperial preference has not been extended because, legally, they are considered as foreign countries.

mandated territories is opposed to the principle of economic equality, as stipulated by the mandate. It might be maintained that, by diverting produce to the mandatory country, access to raw materials is denied on equal terms to nationals of other countries entitled to it; the commerce and shipping of the metropolitan power also profit in a way not open to those of other countries. The question has been discussed by the P.M.C., though not explicitly in relation to British mandated territories, and the Commission has come to the conclusion that the preference in question does not violate the economic equality clause, since it is open to any third country to grant the same reductions of customs duties to produce from mandated territories.

Although this is, from a practical point of view, the most plausible attitude, it does not reckon with the possibility that foreign countries may be bound by treaties to grant the same concessions to other countries. In this case, the mandated territory would not enjoy the same favourable position on the market of the foreign country as on that of the mandatory. But this fact certainly cannot be adduced as proof that imperial preference violates the stipulation of equal access to raw materials; it points, rather, to the desirability of greater freedom of trade in general.

The situation, from the point of view of the mandate, is more controversial if the granting of preferential treatment by the metropolitan power is made dependent on the fulfilment of particular conditions, such as the transport of the produce on ships flying the flag of the metropolitan country. A regulation of this kind was made by France in relation to her colonies and mandated territories, and maintained in face of the protest raised by several members of the P.M.C.

The whole question of imperial preference accorded to produce from mandated territories assumes a different aspect if the policy of imperial preference is linked up with one of encouraging 'complementary production', that is to say, a policy of developing colonial resources with a view to the particular needs of the mother country. This policy, which is a professed principle of French colonial policy, has found no place in British administration. It is difficult to see how a policy of 'complementary production' making the mandated territory dependent on the market of the mandatory, sometimes to the exclusion of other markets, can be reconciled with the ultimate aim of the Mandates System, viz., to enable the respective territories and their populations to stand on their own feet.

The actual value of any kind of preference granted to a colonial territory varies, of course, greatly with the capacity of the metropolitan market and the competition met there from foreign, other imperial, or domestic producers. It happens, in the case of im-

portant colonial products, that the mother country is either not capable of absorbing the entire output of the colonial dependencies or not willing to do so at the expense of trade with the outside world.[1]

Hence it is an indisputable duty of any Government wielding power over colonial territories to secure to their exports as favourable conditions on foreign markets as possible. The particular question with which the colonial Power is faced in the case of mandated and other open door countries is how to use its own bargaining power in order to attain this object.[2] The method applied may vary. The mother country may ensure the insertion of a clause into commercial treaties concluded with foreign countries, allowing for the extension of the treaty to its colonial dependencies, or it may conclude special treaties concerning the colonies.[3]

The first is the method generally adopted by Great Britain. Commercial treaties concluded by her contain a clause making accession to the treaty open to any of the British self-governing Dominions and India as well as the colonial possessions and protectorates. The treaties contain, moreover, the so-called 'never-the-less clause' by which the foreign partner to the treaty agrees to extend most favoured nation treatment even to those British dependencies which have not declared their accession to the treaty, as long as these territories do not treat the foreign country in question worse than any other.[4]

Since Great Britain has been able to obtain m.f.n. treatment in nearly all commercial treaties concluded with foreign countries, British colonial dependencies enjoy for their exports in a great many countries the most favourable conditions obtainable. To British territories under B mandate, although they are treated in principle on an equal footing with colonies, the clause extending m.f.n. treatment applies, however, only in the case of treaties concluded since the transfer of these territories to British mandate. The list of countries granting m.f.n. treatment to Tanganyika is, therefore, not impressive. Among the twenty-four countries enumerated in the Report for 1938, States established after the last war figure largely besides Guatemala, Panama, Haiti and several other countries whose trade with the mandated territory is non-existent or negligible. It is not without irony that the two

[1] The former is the case on the British market with cocoa and rubber, the latter with sugar and tobacco if the British Empire as a whole is considered.

[2] Actually, this applies to all colonies, hardly any of which would be in a position to obtain better terms on the basis of its own bargaining power from countries which are nearly always economically in a stronger position.

[3] The whole subject has been surprisingly neglected in the literature on foreign trade and needs further research.

[4] Foreign Office. *Handbook of Commercial Treaties, etc., with Foreign Powers*, 4th Ed., 1931, 59–6–0–31.

Great Powers mentioned as according m.f.n. treatment to Tanganyika products are Germany and Japan.[1]

Virtually, however, the fact that the mandated territory is excluded from the m.f.n. clause of commercial treaties concluded before 1914, is not as prejudicial to its trade as might be assumed. On the one hand, most of the exports of Tanganyika, like most tropical produce, are allowed to enter the principal countries free of duty or subject to revenue duties only. The widespread tendency to restrict imports by the introduction of quotas and to carry on foreign trade on a basis of barter had on the other hand greatly reduced the value of the m.f.n. treatment offered by some countries—Germany in particular.

As will be shown in the next chapter, lack of bargaining power has not prevented the export of Tanganyika produce to a fairly large number of countries.

The question whether the imposition of a one-sided régime of non-discrimination without certainty of reciprocal treatment may, in certain circumstances, prove prejudicial to the mandated territories, is, therefore, not of actual concern to Tanganyika in the present stage. But the importance attributed to it by the P.M.C. and others makes it necessary to examine it more closely from the point of view of the Mandates System in general.

The issue was taken up by the P.M.C. as early as 1922. The Belgian member, M. Orts, in a memorandum pointed out that, while the application of certain multilateral conventions, such as those on slavery, the traffic in arms and liquor, etc., is secured by the mandates, 'special (i.e., bilateral) international Conventions entered into by a State do not apply *de jure* to territories in regard to which the State in question has been entrusted with a mandate, even when these Conventions would be applicable to the contiguous protectorates and colonies of the same State.'[2]

In M. Orts' view, which was supported unanimously by the Commission, 'this state of affairs is liable to hamper the inhabitants of mandated territories in their right of free movement to carry on trade and own property in foreign countries, and to withhold from their exports the benefit of m.f.n. treatment.' The P.M.C., therefore, passed a recommendation to the Council requesting that all Members of the League should consider forthwith the extension to the territories under B mandate of the same advantages as enjoyed by the contiguous colonies and protectorates of the mandatory State. This recommendation seems to have had little effect, for in 1925 the question was brought up again and further investigated in a memorandum, coming to the same conclusions, by M. Palacios.[3]

[1] Colonial No. 165, 1939, p. 9. [2] P.M.C. 3rd Session, 1923, pp. 194 and 309.
[3] P.M.C. 6th Session, 1925, p. 169.

Questioned about their attitude by the Council, all the mandatory Powers had declared their willingness, in principle, to include mandated territories in special commercial and other treaties,[1] but, as far as can be ascertained, no commercial treaties concluded before 1918 have been extended to mandated territories.

The question reappeared on the agenda of the P.M.C. in 1928, this time in connection with particular incidents.[2] The French Government, in its Report on the Administration of Syria and the Lebanon, two countries under A mandate, had informed the Commission of the awkward situation arising from the fact that Article 11 of the mandate made it compulsory for the two territories to apply without reciprocity the lowest customs tariff to goods originating in countries which are Members of the League. In the opinion of the Administration, this hampered the export trade of the respective territories. Further, the French Government called attention to certain measures by the Liberian Government discriminating against foreign, especially Syrian and Lebanese, traders.

Thereon, the Council asked the P.M.C. 'to institute a general enquiry into the question of the treatment of persons belonging to mandated territories, in countries Members of the League of Nations, and of the produce and goods coming from these territories, and to communicate to it the results of this enquiry.'[3]

The results of the investigation were laid down in a memorandum by M. van Rees which was far more thorough than previous memoranda on the subject.[4]

M. van Rees put the question: 'Whether it would not be consistent with the intentions of the authors of the Covenant, to secure to the inhabitants of mandated territories at least such advantages as they would enjoy if, instead of being under the protection of the League of Nations, they were merely subjects of a sovereign State.' Further, he pointed out that the disabilities imposed on the mandated territories applied particularly to the treatment of their goods, since citizens of the territories were entitled to the diplomatic and consular protection of the mandatory Powers concerned.

'To secure the reciprocity in question, there should be', in van Rees' opinion, 'a supplementary recommendation to the effect that A and B mandated territories should receive in return the whole of the privileges they are required to give to all States Members of the League.'

The Council should invite, therefore, the Member States and

[1] Letter of the British Government in League of Nations Official Journal, June, 1924.

[2] P.M.C. 13th Session, 1928, pp. 168 and 224.

[3] P.M.C. 14th Session, 1928, p. 236.

[4] *Ibid.*, pp. 157, 219, 236.

the United States 'to conclude, if they have not yet done so, commercial agreements with Great Britain, France and Belgium granting m.f.n. treatment to products and goods originating in the A and B mandated territories for which these Powers are mandatories; or, if these States preferred it, to consider the possibility and expediency of revising their customs tariffs to adjust them to the tariffs in force in the various A and B mandated territories.'[1]

This proposal was not carried out. Instead, at the suggestion of Professor Rappard in the following year, the Council inquired of the three Powers wielding A or B mandates whether they considered an international Convention desirable in order to ensure economic equality to the inhabitants and goods of mandated territories, or whether they thought it preferable to attain this object by bilateral agreements.

The replies of the three Governments concerned, though varying in emphasis, were all in favour of an international convention.

But the proposal was not followed up. In the debates on the subject, it became soon evident that a measure of this kind would encounter the opposition of the great colonial Powers who are determined to secure preferential conditions on their market to the produce of their own colonial dependencies, including the mandated territories under their administration.

As the Portuguese member, Count de Penha Garcia, pointed out, countries owning colonies to whose products they accorded preferential treatment, would hardly be willing to abandon this policy in favour of mandated territories whose exports competed with those of their colonies.[2]

A similar reservation was expressed by the British Government in its reply to the Council.[3] Though in general welcoming an international convention, 'His Majesty's Government presumes that any such convention would be drafted so as to entitle mandated territories only to m.f.n. treatment and not so as to require a Power accepting the convention to extend to the mandated territories of another Power the treatment which it accords to its own possessions.'

If the reply of the French Government sounded somewhat more positive, though not quite clear, the reason is not far to seek. It was probably assumed that the system of refunds, paid to French colonial territories out of the proceeds of duties levied in France on certain colonial imports, and of bounties, paid to exporters of certain produce from French colonial dependencies, would not be affected by the convention in question.

[1] *Ibid*, p. 239.
[2] P.M.C. 15 session, 1929 p. 209.
[3] Official Journal, May, 1930, pp. 389 seq.

The main reason why the repeated efforts of the P.M.C. and the League Council from 1923 to 1937 to elucidate and improve the position of the mandated territories in commercial negotiations produced such slender results, is to be found in the fact that both bodies largely ignored economic and political realities. On the one hand, the Commission (and the Council following its lead) tended to exaggerate the importance of a point which, though legally significant, was of small practical interest to the territories under B mandate. On the other hand, the Commission overlooked the resistance which their proposals must necessarily encounter in a world where colonial government, that over mandated territories not excluded, is essentially national, not international.

3. THE SIGNIFICANCE OF THE MANDATE FOR THE IMPORT TRADE OF TANGANYIKA

(*a*) *The Value of the Open Door in relation to Commercial Imports.* The duty to maintain the open door was undoubtedly imposed on the mandatories—in the words of Article 22 of the Covenant—'to secure equal opportunities for the trade and commerce of other members of the League', that is to say, it was motivated by the same consideration as were the similar provisions of the Congo Basin Treaties. But it would be a misconception to regard the open door exclusively as a benefit offered gratuitously and indiscriminately by the mandated territories to countries not concerned in their welfare. The open door also answers the needs of the mandated territories themselves, since it allows the import of essential consumption goods at a price within the purchasing power of the bulk of the native population. Any discrimination against the import of goods from certain countries, in general, and the introduction of import quotas, in particular, would restrict this freedom of buying and thus retard progress towards a higher standard of living. It is equally in the interest of the territories to be able to purchase their economic equipment from the sources from which it can be obtained in the most suitable quality and at the most economical price.

The complaint levied with some reason against the earlier Congo Basin Treaties, viz., that they fettered the fiscal freedom of Governments in levying import duties, does not apply to the open door in the form in which it has been secured by the mandates as well as by the Convention of St. Germain. Nor has the present régime prevented Administrations from introducing duties with a view to protecting domestic industries where such a policy was considered expedient.

In the import trade of Tanganyika the effect of the open door can be seen clearly by the large participation of foreign countries.

But the fact that the market is highly competitive in nearly all manufactured goods has not prevented the United Kingdom from maintaining a considerable share of imports, especially of capital goods. This is partly, but by no means entirely, due to the provision of the mandate 'that the Mandatory shall be free to organize essential public works and services on such terms and conditions as he thinks just' (Article 7).

(*b*) *Imports for Public Works and Services.*

The provision which gives the Government a free hand in the organization of public works and services has led to many questions and discussions in both the P.M.C. and the League Council. The interpretation of the term 'essential public works and services', in particular, has aroused much controversy, and it has not been found possible to arrive at a definition acceptable to all members of the Commission.

In practice, as is only natural, the mandatory Government is inclined to make a fairly wide use of the freedom afforded by the clause, and to purchase most of the requirements of the Administration in the home country. Nor is the desire to grant preference to industries of the mother country necessarily the only motive in doing so; administrative convenience and financial expediency may point in the same direction.

Most Governments have established agencies through which they purchase and finance the requirements of colonial Administrations, and it would not be to the interest of mandated territories to be excluded from their use. In the case of British overseas territories, the Crown Agents for the Colonies carry out business transactions for the colonial Administrations.

As a letter from the British Government to the P.M.C. states, 'the Crown Agents for the colonies are authorized to place orders with firms of any nationality, and in practice nationals of States Members of the League of Nations are allowed to submit tenders for supplies required by the Administrations of territories under A and B mandate.'[1]

But, according to a statement made by the Secretary of State, Mr. Amery, in the debate on the East Africa and Palestine Loans Bill, all purchases from the loans were to be carried out through the Crown Agents, 'who had instructions not to place any order outside the British Empire without special reference to the Secretary of State.'[2]

Thus, although contractors of all nationalities may submit tenders for the execution of public works in the territory, the machinery of making purchases through the Crown Agents, apart from those effected locally, results in almost the whole of

[1] Official Journal, July, 1930, p. 843. [2] *Hansard* 9. XII. 1926, p. 2373.

the requirements of Government Departments being bought in the United Kingdom or another part of the Empire. In Tanganyika, of Government imports totalling £141,521 only £1,582 came from non-British countries in 1937. Nor can it be maintained that this procedure is disadvantageous to the mandated territory, since it puts the Administration in a position to avail itself of services which could hardly be provided for a single territory. The fact that the Crown Agents command an expert engineering staff employed on the purchase of machinery, etc., is no doubt of great value for public works carried out in various territories.[1]

It would certainly not be to the advantage of the mandated territories if they had to purchase all their supplies directly, without using the offices of the Agents as a central co-operative agency. Furthermore, the Crown Agents render a great number of other services to the colonial territories, especially in the field of financial administration. They are, in particular, responsible for the issue and management of practically all colonial loans, and frequently give temporary advances on such loans.[2]

This leads to the important question of how money raised by loans for a mandated territory is to be spent. There has been a growing tendency since 1918 for a country granting or guaranteeing a loan to a colonial or foreign country to stipulate that a certain portion, or the whole, of the capital is to be spent on purchases in the creditor country.

The question whether a stipulation of this kind is compatible with the mandate was extensively discussed by the P.M.C. as well as in the House of Commons when it debated the Palestine and East Africa Loans Bill in 1926. The interest and capital of the loan were to be guaranteed by the British Government, and the Secretary of State for the Colonies took the line that a stipulation demanding the spending of the money in Great Britain would constitute no violation of the mandate, as the loan was to be raised for 'essential public works', but considered a provision of this kind was unnecessary, since purchases were to be made through the Crown Agents.[3] The P.M.C., although not supporting this view, could not ignore the fact that the mandated territories depend for their capital requirements on the mandated Power in one way or another.[4]

The amount of the trade with the mother country due to Government imports varies greatly from year to year, since it largely depends on the public works undertaken. During the greater

[1] See for details *A Short History of the Office of the Crown Agents for the Colonies*, 1933, p. 7.
[2] *Ibid.*, p. 9.
[3] *Hansard, loc. cit.*
[4] See chapter XII.

part of the mandatory period, Government imports in Tanganyika have been heavy and represented a higher proportion of total imports than in most British African territories. From 1925 to 1934 Government imports averaged 15 per cent. of the total net imports. From 1935 to 1938, when few public works were carried out, Government imports fell to 5 per cent. of the total net imports. The clause giving a more or less free hand to the mandatory Administration as to where to purchase its requirements, grants, therefore, in some years at least, an important advantage to the manufacturing industries of the mandatory Power. It is, however, doubtful whether, even in the absence of such a clause, the share of British goods among Government imports would be much smaller, in view of the machinery for buying through the Crown Agents, and of the territories' dependence on the mandatory Power for the satisfaction of their capital needs.

Nevertheless, a larger participation of foreign firms in the execution of public works not only appears feasible, but also as likely to benefit the mandated territories. The first essential would be greater publicity to advertisements inviting tenders for public works in the territories, and, further, offers from foreign firms would have to be more seriously considered than hitherto. At present the chance of foreign contractors to compete with British, French, or Belgian firms appears to be hardly more than theoretical, for, although all mandatory Powers have given the assurance that contracts exceeding a certain value are open to tenders from contractors of all nationalities,[1] no Government has supplied information as to the actual extent to which foreign firms have been asked to carry out works in the mandated territories.[2]

4. THE CUSTOMS UNION WITH KENYA AND UGANDA

(*a*) *The Trade Policy applied under it.*

Article 10 of the mandate for Tanganyika authorizes the mandatory 'to constitute the territory into a customs, fiscal, and administrative union or federation with the adjacent territories under his own sovereignty or control; provided always that the measures adopted to that end do not infringe the provisions of this mandate.'

This second exception to the open door sanctioned by the mandate is of far greater importance for the trade of the mandated

[1] It is, moreover, doubtful whether these assurances do not refer only to contractors *established* in a country under the authority of the mandatory Power. In this case the assurance would have very small value from the point of view of international participation.

[2] The practice observed with regard to the allocation of public works is set out in letters by the mandatory Powers to the P.M.C., Official Journal, September, 1929, and July, 1930.

territory than the privileged position accorded to the mandatory Power with regard to public works.

It was possible in 1919 to envisage a customs union between Tanganyika, a mandated territory, on the one hand, and Kenya and Uganda, British colony and Protectorate respectively, on the other, because the two latter countries are situated within the area covered by the Congo Basin Treaties and therefore governed by an open door régime. The first step towards union was effected in 1923 when Tanganyika adopted the customs tariff in force in Kenya and Uganda, and duty-free interchange of local produce between the three territories was introduced. In 1927, a further agreement provided that foreign goods for which duty had been paid on entry into one of the three territories were allowed to pass without further payment of duty into either of the two others. The duty was credited in each case to the country for which the commodities were ultimately destined. Since 1923, with a few notable exceptions to be mentioned later, the customs tariff has been the same for the three territories, and modifications have been the result of common decisions.[1]

The union may well be regarded as the most controversial measure introduced by the Administration of Tanganyika. It has been criticized as prejudical to the interest of the mandated territory from both an economic and a financial point of view. This criticism, which was voiced in particularly strong terms by Sir Sidney Armitage-Smith, is based on two main arguments. It is alleged, on the one hand, that in drawing up the tariff and fixing the rates of import duties at a high level, the interests of Kenya, by no means identical with those of Tanganyika, have been paramount; and, on the other, that the free interchange of local goods between the three territories favours the two other partners at the expense of Tanganyika. Whilst raising the prices of important goods to Tanganyika consumers, the union deprives the mandated territory, in the critics' view, of revenue from customs duties, and retards the development of certain industries in Tanganyika.

In order to form an opinion on these allegations, it is necessary to study the customs policy applied under the union, and to examine its economic and financial effect, as revealed by the figures of the trade and revenue of Tanganyika.

As pointed out previously, protectionist motives were absent in the customs policy of German East Africa. On most items the duty was 10 per cent. *ad valorem,* but a great number of articles, mainly development goods, were on the free list. A few articles

[1] The Governors' Conference became virtually the organ responsible for the framing of the customs tariff, even if the Legislative Council of each territory had to be consulted later.

only, such as arms, spirits and tobacco, were subjected to higher specific duties in accordance with the Congo Basin Treaties.[1]

After the war, the open door was maintained and additionally secured by the mandate. A new tariff introduced in 1921, however, considerably raised the level of import duties. In 1923 a tariff identical with that of Kenya and Uganda and implying even higher rates was adopted; export duties, which had been levied on certain native produce and were of decreasing financial significance even before 1914, were abolished.

The alterations introduced by the legislation of 1921 and 1923 were thus all in the direction of higher taxation of imports. The general *ad valorem* basis of the tariff was raised from 10 per cent. to 20 per cent., and a greater number of articles was subjected to higher specific duties. Of even greater significance than the raising of the general customs level was the abandonment of the principle that duties were to be levied for revenue only. This was the direct consequence of the adoption of a common customs tariff with Kenya and Uganda in preparation of a full customs union.

A Committee was appointed by the Government of Kenya in 1922 to inquire into, and make suggestions on, the customs tariff (Bowring Committee). Following its recommendations,[2] in 1923 the Kenya Government 'adopted the principle of fostering suitable industries as the foundation of her economic policy.'

Since Uganda had a customs union with Kenya, the new duties applied also to imports destined for that country. By adopting a tariff identical with that of the two adjacent countries, Tanganyika too accepted a policy of protection by high, in some cases even prohibitive, import duties. The industries thus protected were the production of wheat, sugar, cheese, bacon and ham, timber, butter, wheat meal and flour, tea, ghee, ale, beer and stout. Simultaneously, the customs barriers for local produce were abolished between the three territories.

In 1925, butter and cheese had to be removed from the list of specific duties, 'because Kenya dairy farmers were unable to supply the Territory (viz., Tanganyika) with these commodities, and the specific duties were so high that importation from other countries was practically prohibited.'[3] The same applied to soap-

[1] The following explanation of this policy, which applied to all German colonies, was given in 1913 by a German author: 'Da die Handelsinteressen Deutschlands an den Kolonien fremder Mächte die an den deutschen Kolonien weit überragen, ist die Offenhaltung der fremden Märkte wichtiger als die Einführung von Begünstigungen im deutschen Kolonialreich, welche die Abschliessungstendenzen der anderen Kolonialstaaten nur unnötig befördern würden, ohne dem deutschen Handel entsprechenden Nutzen zu bringen.' Kucklentz, *loc. cit.*, p. 58.

It *was* a time when economic issues were decided on their own merits!

[2] Reviewed in the Report of the Kenya Tariff Committee, 1929, p. 3.

[3] Annual Report for 1925, Colonial No. 18, p. 43.

nuts, for which the specific duty worked out at the excessive *ad valorem* rate of 50 per cent. In 1927, a full customs union was established, although the Governor of Tanganyika, Sir Donald Cameron, 'had expressed the view that the stages of development which had been reached respectively in the three territories were by no means the same either in the political or in the economic sphere and that, owing to the very large proportion of Tanganyika which is not suitable for European settlement . . . a fiscal policy which is suitable for Kenya might not in all respects be the best for Tanganyika.'[1]

In 1929, it was found expedient to consider the tariff afresh in the light of the experience of the preceding five years. Both Kenya and Uganda appointed special Tariff Committees in order to review the situation from the point of view of their particular concerns. The two Committees' conclusions, which are here of interest only so far as they affect Tanganyika, are widely opposed to each other.[2]

The Kenya Committee reported strongly in favour of continuing the policy of fostering industries by protectionist customs duties as well as by differential railway rates.[3] The Committee maintained, moreover, that the protected industries would soon be in a position to produce the full requirements of the three territories. It admitted, however, that the price of protected articles, particularly wheat, was higher than it would be if import free of duty were allowed. This possibility was dismissed with the old-time fallacy that in this case a great deal of money would flow into foreign countries. The Committee came, therefore, to the conclusion that it was essential to retain the principle of protection, that is to say, 'to take into account, in framing the customs tariff, the price at which competitive articles for local consumption can be landed at the ports and to levy on these competitive articles a customs duty sufficiently high to secure a price for local commodities which will cover the costs of production and give a return sufficient to justify local enterprise.'[4]

The maintenance of the customs union was, moreover, declared as of vital importance to Kenya, because, under the agreement, 'internal trade in Eastern Africa has been encouraged to expand without barriers and . . . the carrying and entrepôt trade of Kenya has been fostered, and markets for local produce have been extended to a degree which could not have been achieved without such agreements.'

The Committee, with the Indian member dissenting, declared

[1] Tanganyika Legislative Council, 1st Session, 1926. Sessional Paper No. 1.

[2] Actually, the Uganda Committee was explicitly appointed to refute the conclusions of the Kenya Committee as not applying to Uganda.

[3] See p. 112.

[4] *loc. cit.*, p. 6.

as impracticable a proposal to replace the protective duties and preferential railway rates by direct bounties to be paid by the Government of Kenya to those producers whom it wanted to protect.

'The neighbouring territories of Uganda and Tanganyika have from the first been unwilling to impose protective duties on their territories for the benefit of Kenya industries. Ever since the establishment of the customs union they have been pressing for a removal or reduction of protective tariffs.'[1]

This latter fact was made evident by the Report of the Uganda Committee reporting on the same subject. In the opinion of this Committee, 'any measure of protection either by special import duties or preferential railway rates was a thoroughly unsound policy in the case of Uganda.'[2]

In contrast to the Kenya Report, the Uganda Committee thought the time not even in sight when the local supply of protected commodities would meet the requirements of the East African market. The quality of the local produce was, moreover, described as inferior to the imported article, since it lacked uniformity and its supply was uncertain. By raising prices in the interest of local, mainly Kenya, producers, goods which at low prices would find a wide and expanding market among the native population were put beyond the reach of African consumers. This applied particularly to bacon, butter, ghee, sugar, wheat flour, tea—all foodstuffs essential for the poor diet of the native inhabitants. The duty on sugar working out at 76.8 per cent. *ad valorem* and that on wheat flour were described as particularly obnoxious.

The Committee suggested that the protective object of the customs tariff should be dropped, and that the Government of Kenya should pay direct subsidies to the industries it desired to foster. It emphasized 'the clear conviction that a policy of protection by means of import duties is unnecessary and unwise in the case of Uganda', and thought it preferable to abrogate the customs union than to go on as hitherto, if the Government of Kenya insisted on the continuation of high protective duties. The Committee thought it had reason to assume that this opinion was shared by the Government of Tanganyika.

This latter assumption is corroborated by the statement of the Governor of Tanganyika quoted above. There exists, however, no published document revealing the attitude of the Government of Tanganyika towards the revision of the customs tariff in 1929, and no special inquiry on the subject seems to have been

[1] *loc. cit.*, *p.* 48.

[2] Report of the Customs Tariff and Railway Rates Committee. Entebbe, 1929, p. 3.

carried out similar to that undertaken by the Tariff Committees in the two other territories.

In 1930, a Committee consisting of the Commissioners of Customs and the Treasurers of the three territories had been appointed by the Conference of East African Governors to examine the existing customs tariff in the light of experience gained during the past six years. The duties on articles specially protected were, however, explicitly excluded from the scope of the inquiry, and no modification in the principle of the policy applied was suggested by the Committee, although it recommended a reduction of the specific duties on certain important items, such as cement, rice, cotton piece goods, tea, and soap. These duties, which in 1922 had worked out at approximately 20 per cent., had risen to 40–45 per cent. of the value of the respective goods owing to the fall in prices.

The revised customs tariff adopted in 1930 by the three countries reduced in accordance with these suggestions a number of specific rates, and, in order to compensate the revenue, increased the duties on beer, tobacco, cigarettes, and cinematographic films. Of greater importance was the introduction of so-called suspended duties, i.e., duties which each territory was free to impose when it thought fit, either to the whole amount or only partially. This device was adopted with a view to making the tariff more adjustable to the needs of each territory; in practice, it strengthened the protectionist character of the tariff, particularly in Kenya and Tanganyika. The latter has introduced suspended duties on bacon, ham, wheat, rice, ghee, sugar, soap, wood, and timber. The only other important alterations were made in 1933 and 1934, when, as an alternative to *ad valorem* duties, minimum specific duties were imposed on cotton piece goods, umbrellas, canvas and rubber shoes, bicycles, apparel and blankets, all commodities the value of which pro unit had largely decreased, mainly owing to cheap imports from Asia. The policy was carried a step further by the definite substitution of specific duties for *ad valorem* rates in the case of the cheaper classes of certain goods, mainly textiles. 'The object was not the imposition of increased taxation upon the consumer, but to maintain the revenue of the territory at a normal figure.'[1]

The tariff is thus far more complicated than colonial tariffs used to be before 1914, and this great complexity is largely due to the element of protection introduced in 1923 and further strengthened since then by the introduction of 'suspended' duties. In addition, the substitution of specific for *ad valorem* duties imposes a relatively high duty on the cheaper classes of certain goods,

[1] Annual Report for 1935, Colonial No. 113, p. 53. See also Customs Tariffs of the Colonial Empire Para. F.I., Colonial No. 127, 1937.

while the better qualities are liable only to a 20 per cent. *ad valorem* duty. According to a calculation carried out by Sir Alan Pim in 1935,[1] the *ad valorem* equivalent to the main specific ratings worked out as follows in the cases of certain goods liable either to a 20 per cent. *ad valorem* duty or a specific duty, 'whichever is higher':

	Per cent.
Blankets	22
Boots and shoes (rubber, etc.) ...	56
Cardigans	51
Singlets	54
Socks and Stockings	60
Cotton Piece Goods	44–50
Umbrellas	59
Bicycles	45

As mentioned above, Tanganyika did not, like the two other countries, on the occasion of the revision of the customs tariff in 1930, publish any documents dealing with the effect of the customs tariff and customs union from the point of view of its particular interests.

These effects were investigated, however, by Sir Sidney Armitage-Smith in his 'Report on a Financial Mission to Tanganyika'. As implied by the terms of his Commission, which was engendered by budgetary difficulties experienced by the territory during the depression, his conclusions were mainly prompted by financial considerations. The gist of his criticism in relation to the protected foodstuffs, apart from wheat and rice, was that 'the protection afforded by the tariff to the other territories has injured both the consumer and the revenue of Tanganyika, and that this injury has been accentuated by the suspended duties.'[2]

Armitage-Smith calculated that in 1931 alone Tanganyika suffered a loss in revenue of over £58,000 owing to the free imports from Kenya and Uganda of the principal protected articles.

According to his estimate, Tanganyika between 1928 and 1931 lost £1,000 per annum in customs revenue from bacon and ham owing to the customs union, while the customs revenue from sugar declined within three years to one-ninth of its former amount. The following table shows that the tendency has become even more pronounced in subsequent years.

[1] Report on the Financial Position and System of Taxation of Kenya. Colonial No. 116, 1936, p. 276.
[2] Cmd. 4182, 1932, p. 22.

IMPORTS INTO TANGANYIKA

BACON AND HAM

Year	*Total Imports*		*From Kenya and Uganda*		*Customs Revenue*	
	Cwts.	£	*Cwts.*	£	£	
1928	520	4,644	261	1,914	1,107	
1931	527	3,399	455	2,807	155	
1938	866	5,662	675	4,474	Negligible	
			SUGAR			*Revenue from Consumption Tax*
1928	63,739	67,436	16,796	25,016	29,728	—
1931	68,741	70,661	63,320	67,233	3,322	—
1938	124,600	72,983	124,160	72,666	Negligible	20,685

Armitage-Smith summed up his conclusions in the following recommendation: 'Thus the hopes which inspired the Customs Agreement have, unfortunately, not been realized. The conclusion to which this argument leads is clearly that Tanganyika should take steps forthwith to levy customs import duty at the same rates on foodstuffs from Kenya and Uganda as those chargeable on foodstuffs imported from foreign parts, and should cease to deplete her revenue and impoverish her citizens by protecting the products of her neighbours.'[1]

It is not surprising that these conclusions of an independent British Commissioner caused misgivings in the P.M.C. who had even before the publication of his Report requested the mandatory Government 'that information should be furnished . . . showing that the effects of the existing Customs Agreement between the three territories do not affect injuriously the interests of the Mandated Territory.'

In compliance with this request, the Government of Tanganyika attached a 'Note on Customs Policy' to the Annual Report for 1932.[2] In this memorandum the Agreement was defended in all its aspects, but some of the Government's arguments were not altogether convincing and seemed to take for granted what they were out to prove.

The value of the customs union to Tanganyika, in the view of the memorandum, lies primarily in the fact that Tanganyika produce, mainly rice, ghee, and dried fish, finds a ready market in the adjoining territories; this market, it is maintained, would not be open to the same extent if Tanganyika produce were not

[1] *loc. cit.*, p. 25.
[2] Colonial No. 81, Appendix VII, 1933.

treated on a basis of equality with the domestic produce of the two other countries.

True, exports of domestic produce from Tanganyika to the two neighbouring territories have increased, as compared with the earlier years of the customs union. But this increase remains considerably below that of exports of domestic produce from Kenya and Uganda to Tanganyika, trade in this latter direction having more than doubled between 1926 and 1938, while it has risen by little more than half as much again in the case of Tanganyika exports to Kenya and Uganda. The balance in favour of Kenya and Uganda shows, moreover, a distinct tendency to become larger; it amounted to £39,722 p.a. in the average of 1926 to 1931, and to £52,369 p.a. 1932 to 1938.[1]

The Government saw the main cause of the increasingly unfavourable balance for Tanganyika in the rapid growth of the sugar industry in Kenya and Uganda. A consumption tax,[2] levied on all sugar not produced in Tanganyika, was therefore introduced to compensate Tanganyika for the loss of revenue from import duty on foreign sugar, and to afford some measure of protection to the young sugar industry of the mandated territory itself. The measure, although fairly successful from a fiscal point of view, was not sufficient to secure an appreciable share of the local market to the domestic industry.

Another argument in favour of the customs union put forward in the memorandum is that the freedom from customs barriers enables Tanganyika producers to avail themselves of manufacturing processes and other facilities available in Kenya. Thus, coffee produced in Tanganyika can be cleaned and cured at Kilindini, while hides and skins exported in a raw state from Tanganyika are treated and packed for export in Kenya. Were obstacles to be put in the way of the transfer of these goods across the frontier, the success of the industries in Tanganyika would be seriously jeopardized.

Against this argument the objection must be raised that a customs union with an industrially more developed country may prevent the development, in Tanganyika, of processing industries preparing domestic produce for export. Moreover, the memorandum attempts to prove too much if it maintains that the use of the curing works at Kilindini and other facilities at Mombasa is dependent on the absence of a customs barrier between Kenya and Tanganyika and could not be effected, in the absence of a customs union, by means of duty-free transit or refund of customs

[1] The whole trade is subject to fluctuations from year to year, as is natural with trade consisting mainly of foodstuffs. The figures of the trade in domestic produce between the three territories are annually published in the Reports on the Administration of Tanganyika.

[2] At the rate of 3*s*. per 100 lb.

duty in the case of re-export. The application of industrial processes to raw materials in the transit country is a practice not unfamiliar to international trade.

Hardly more convincing is the argument that the system of purchasing in bulk for the three territories enables Tanganyika merchants to obtain trade goods at a lower price than they would have to pay if Tanganyika formed a customs unit by itself. If the argument applies at all, it would point to the fact that a certain amount of the import trade, which otherwise would enter Dar es Salaam or other ports of Tanganyika, is diverted by the customs union to Mombasa.

The memorandum goes on to emphasize that all three territories were able to develop valuable new industries, because they relied on the extensive sheltered market of the whole area. The example quoted as proof of this particular advantage to Tanganyika is, however, singularly unfortunate—'Meat Rations Ltd.', a company established, with large financial participation by the Government, for the purpose of disposing of the surplus stock in the Lake Victoria area. In the opinion of the memorandum, the operations of this company have been greatly facilitated by the sale of by-products, such as bloodmeal and other fertilizers, to Kenya farmers. But, in 1935, the meat factory had to close down because working costs had proved too high.[1]

In contrast to Sir Sidney Armitage-Smith and the Uganda Committee, the Government of Tanganyika came to the conclusion that 'the abrogation of the Customs Agreement with Kenya and Uganda would not be in the interest of any of the contracting parties.'[2]

In attempting to assess the profit, or otherwise, of the customs union for Tanganyika, account has to be taken of two separate facts; first, the fact of unhampered inter-territorial trade; and second, the adoption of a customs tariff with protectionist tendencies.

Unhampered trade within an extended area is, *prima facie*, favourable to the economic development of the respective territories, because production can choose the most economic location within a wide area. Local trade in both directions has undoubtedly profited from this freedom from customs barriers, particularly in the border districts. But, as pointed out above, Kenya and Uganda have been able to increase exports of domestic produce to Tanganyika to a considerably higher degree than the latter has been able to do in return.

The chief profit derived by Tanganyika from the customs union is increased exports of tobacco to Uganda where it is being

[1] P.M.C., 29th Session, 1936, p. 44.
[2] Annual Report for 1933, Colonial No. 93, p. 125.

used for the manufacture of cigarettes, later to a large extent re-exported to Tanganyika. Apart from this, rice and ghee are the principal articles supplied by Tanganyika to the two other territories. In both articles the quantities exported to the two neighbouring territories have substantially increased, but values show a much less satisfactory development, particularly in the case of rice.[1]

Kenya and Uganda producers, on the other hand, were able to conquer the market of Tanganyika in sugar and tea, and to supply to an increasing extent wheatmeal and flour, cigarettes, butter, bacon and ham, soap, aluminium hollow-ware, and several other articles. With the exception of sugar and cigarettes, which are imported in considerable quantities from Uganda, Kenya producers have reaped the main profits of this development. The Tanganyika Comptroller of Customs, commenting on the figures of foodstuffs imported into Tanganyika in 1938, writes: 'There is no evidence . . . that local production is effectively displacing imports of many articles of food which can be manufactured equally well in the territory. It is indeed in these items that increases are shown in 1938 (viz., in imports). The position is one of the results of the customs agreements with Kenya and Uganda under which the products in those countries are either of older development or more effectively organized for marketing. To some extent, however, geographical position is responsible; the Lake Province, for instance, finds it cheaper and more convenient to draw supplies from Kenya or Uganda than from more remote parts of Tanganyika.'[2]

The advantage accorded to Kenya and Uganda industries has, moreover, prejudiced the position of certain industries in Tanganyika, and prevented them from reaping the full benefit of the protective tariff on the domestic market. This applies, in particular, to the sugar and tea industries, both of which export the greater part of their output while the internal demand is chiefly met by Kenya and Uganda producers who have ousted foreign supplies—mainly from British India and other British countries in the case of tea, and from Java in the case of sugar—from the market of the three East African countries. If the policy of protection was adopted in order to develop domestic production for the benefit of all three territories alike, then the younger industries of Tanganyika should have been protected, at least temporarily, against the competition of the more advanced industries of the two other partners. The fact that the Tanganyika tea and sugar industries have to rely for their expansion mainly on overseas markets has the further disadvantage that the amount of

[1] Tanganyika Trade Reports.
[2] Tanganyika Trade Report for 1938, p. 13.

produce which may be exported in any one year is limited by international agreements. This may hamper the growth of production, particularly of sugar.[1]

According to Sir Alan Pim, full advantage of the protection afforded by the customs tariff in the local market has been taken by the protected industries in Kenya; in other words, prices have been at a level which could not have been maintained if domestic producers had had to compete with foreign suppliers. The only exception is tea; the displacement of imported tea by Kenya-grown tea was, in Sir Alan's view, mainly due to the much lower price which was charged for it. In more recent years, it appears that the price of sugar, too, has been reduced.

In general, it may be said that the adoption of a customs tariff in essence identical with that of Kenya has imposed on Tanganyika (and Uganda) a customs policy which can hardly be reconciled with the principle generally recognized as sound for a territory of little developed resources and low purchasing power, a territory which relies, moreover, to a large extent on customs duties for its revenue; i.e., the principle to raise a maximum revenue at a minimum cost to consumers. A country in Tanganyika's stage of development acts against the professed paramount aim of raising the standard of living of the native inhabitants by increasing the cost of living through the adoption of protectionist duties. This policy would be reprehensible, even if it had been introduced with a view to sheltering industries in Tanganyika alone; it is still more objectionable if the main profit goes to the producers of two neighbouring countries.

Since most of the benefits of the protectionist tariff, in the form of increased production, has so far accrued to the other two partners in the customs union, the mandated territory has not obtained to the same degree new sources of taxation in the profits of the protected industries. The loss of customs revenue from articles replaced by the products of the protected industries has, therefore, made it necessary to raise the customs duties on a number of articles, mainly of native consumption, to a higher level than would otherwise have been needed.

Furthermore, in trying to assess the effect of the customs policy on the development of Tanganyika, it must be borne in mind that the protectionist tariff is being reinforced by the policy applied to railway rates. A Report by Mr. Roger Gibb on Railway Rates and Finance in Kenya, Uganda and Tanganyika Territory came to similar conclusions, as did Sir Sidney Armitage-Smith with regard to the customs policy. He criticized the tendency, most conspicuous on the Kenya-Uganda Railway, but accepted in principle also by Tanganyika Railways, to use the rating policy

[1] See chapter V.

as a means of economic development by a policy of low export and high import rates. This policy is further strengthened by Country Produce Rates, a device adopted from South Africa. These are applied at different levels to certain commodities according to whether they have been imported from abroad or produced locally. In Gibb's opinion, they represent 'an added tariff protection to customs duties', are harmful to railway finance, and meet with the disapproval of Uganda and Tanganyika as well as a portion of public opinion in Kenya.[1] He stressed the necessity of encouraging the import trade in goods for native use and remarked particularly on the very high rating of cotton piece goods. In his view, 'at the back of this policy lies half concealed the policy of subsidising the European at the expense of the native, as those activities which tend to receive preferential and unprofitable railway rates tend to be those in which Europeans are concerned.'[2] Certain minor modifications have been made following Gibb's Report, but the policy of differential rates has been maintained.

Under a system of customs duties raised primarily for revenue, the customs union, in the long run, might have proved beneficial to all three countries, even though in the initial stages more advantageous to the most advanced partner. But actually it has imposed on Tanganyika a customs policy which cannot be considered in the best interest of the mandated territory, and appears an unsuitable instrument for promoting to the utmost the material well-being and social progress of the native inhabitants.

The adoption, under the customs union, of protective—in some cases even prohibitive—import duties, has, moreover, operated against foreign supplies, and thus had the effect of restricting world trade. A policy of this kind, which cuts out foreign supplies of important goods altogether, frustrates the object which caused the insertion of the open door clause in both the Convention of St. Germain and the mandate.

(b) The P.M.C. and the Customs Union.

Important issues, like the customs union and the policy applied under it, could not fail to rouse the critical interest of the P.M.C. The complex of questions arising from the customs union engaged the Commission's attention under two different headings: first, on the occasion of the annual review of the Administration of the territory, and, secondly, in connection with the examination of the more comprehensive scheme of administrative unification which became known as 'closer union', viz., between Tanganyika, Kenya and Uganda.

The question whether the adoption of a protectionist customs

[1] Cmd. 4235, 1933, pp. 19-20. [2] *Ibid.* p. 53.

tariff could be justified by the economic situation of Tanganyika, was first put in 1929 by the Vice-Chairman, M. van Rees. 'The question which arose', he remarked, 'was the following: Did the Customs legislation in the latter territories (viz., Kenya and Uganda) imply a protectionist policy? If so, did the local conditions in Tanganyika justify the same policy? If not, the customs union thus instituted could not but be prejudicial to the interests of the territory under mandate and to those of the inhabitants, and beneficial to a neighbouring colony; such a condition would be contrary to the guiding principle of the Mandate System.'[1]

Both the Chairman, the Marquese Theodoli and Professor Rappard, expressed strong objections to the procedure applied under the union, the former adding: 'that this policy of regarding the territory as merely a part of a larger unit might result in the diversion of certain currents of railway traffic from the territory.'[2]

The representative of the mandatory Power, Mr. Lunn, speaking for the Labour Government then in power, admitted the relevance of the objection, but denied any knowledge of instances where Tanganyika interests had been sacrified to those of the adjoining territories.

Later in the same session, the Commission discussed the Report of the Commission which had been appointed by the Secretary of State 'to consider certain questions relating to closer union of the Dependencies in Eastern and Central Africa, and allied subjects.' (Hilton Young Report.)[3]

M. van Rees repeated his misgivings about the compatibility of the mandatory Power's duties as a guardian of the native population with a customs or railway union 'laying down that the same rates should be charged in both territories (viz., Kenya and Tanganyika), since the interests of the territory under mandate, which had not reached the same stage of development as those of the colony to which it had been united, called for a railway and customs policy which was more calculated to meet its needs.'[4] He went so far as to describe the authority bestowed upon the mandatory Power to bring about the customs union as 'a crack in the edifice of the mandates.'

The note struck by the Dutch member was, however, not taken up by the Commission as a whole, whose debate on the Hilton Young Report was almost entirely confined to legal and administrative aspects. In its Observations to the Council, however, the Commission took 'note of the undertaking given by the accredited representative, to point out to his Government the possible prejudice which, in the opinion of the Commission, may be caused

[1] P.M.C. 15th Session, 1929, p. 118.
[2] *Ibid.*, p. 169–170.
[3] Cmd. 3234, 1929.
[4] P.M.C. 15th Session, 1929, pp. 169–170.

to the interests of Tanganyika by the application of a common policy with Kenya regarding customs tariffs and railway rates.'[1]

In reply, the mandatory Government appended to the Report of the succeeding year a short note[2] containing the assurance that no native interest was affected by the various protective duties except the duty on ghee which was considered too high. The assimilation of the rates of the two railway systems was made, the memorandum stated, 'in order to prevent competition at competitive points, such as Moshi and Mwanza.'

Misgivings about the effect of the customs union on Tanganyika were again expressed in 1931, this time by Lord Lugard and M. Rappard.[3] In reply, Mr. Jardine, the Chief Secretary of Tanganyika, retorted that 'the shoe was probably on the other foot and it was Tanganyika that actually benefited, thanks to the rice and ghee exports', a statement which was accepted, if with certain doubts, on the part of M. Rappard, as to the financial effects of the customs union.

In the following year several members criticized the introduction of a 'suspended duty' on foreign sugar in Tanganyika in addition to that levied under the common tariff, and remarked unfavourably on the loss of revenue through reduced sugar imports from overseas.

As a result, a request was inserted in the Commission's Report to the Council 'that detailed information should be furnished . . . showing that the effects of the existing Customs Agreements between the three territories do not injuriously affect the interests of the Mandated Territory.'[4] In fulfilment of this request, the mandatory Government appended to its Report on the Administration in 1932 the 'Note on Customs Policy' discussed in the preceding paragraph.[5]

In its next session,[6] the P.M.C. examined this Report. It devoted, moreover, much time to the plan of a 'closer union' between the three territories, basing its discussions mainly on a Preliminary Report drawn up by M. Palacios.[7] Sir Sidney Armitage-Smith's Report, too, had in the meantime been brought to the knowledge of the Commission. So had the Report and the Minutes of Evidence of the Joint Select Committee (viz., of both Houses of Parliament) on Closer Union in East Africa.[8] The latter, although not expressing a definite opinion on the effects of the customs union, emphasized the difficulties of a common

[1] *Ibid.*, p. 293.
[2] Colonial, No. 46, 1930. Annexure II.
[3] P.M.C. 21st Session, 1931, p. 30.
[4] P.M.C. 22nd Session, 1932, p. 367.
[5] Colonial No. 81, Appendix VII, pp. 127 seq.
[6] P.M.C. 23rd Session, 1933, pp. 35, 45, 64.
[7] P.M.C. 22nd Session, 1932, Appendix 8.
[8] 1931, 156 and (29).

tariff between a territory committed to a policy of developing industries in the shelter of a tariff and a territory wishing to raise import duties mainly for revenue.

In view of these facts and the not too convincing presentation of the case for the customs union in the Government memorandum, it is a matter of surprise that out of fifty pages of the minutes dealing with Tanganyika not more than three-quarters of a page is devoted to questions of customs policy, which obviously aroused much less interest on the part of members than the question of a postal union between the three territories.

M. van Rees, however, drew the attention of the Governor of Tanganyika, Sir Steward Symes, to unfavourable reports on the effect the customs union was supposed to have on Tanganyika, and M. Ruppel quoted examples of differences in the price at which Kenya produce was sold abroad and within the area of the customs union.[1] Sir Steward Symes replied that 'obviously the tariff did send up the price of certain commodities, but the prices could not be considered as excessive.'

Actually, in the case of some goods, the price asked from domestic consumers was more than double the amount at which goods were offered in foreign markets. Replying to the question whether the competition of Kenya products did not prevent the development of local industries in Tanganyika, the Governor pointed out, 'that, in many cases, imports from Kenya were steadily falling off and being replaced by local Tanganyika products', a statement which was in no way confirmed by the Government 'Note on Customs Policy' under discussion. He expressed moreover, 'the considered opinion of the Tanganyika Government . . . that the interests of Tanganyika were very favourably affected by the Customs Agreement.'

The extended debate on the question of 'closer union,' which took place in the same session, touched more indirectly on the subject of the customs union, as part of a scheme for the administrative co-ordination and collaboration of the three territories.[2]

The only direct reference to the problems presented by the customs union was a remark by Professor Rappard who pointed out that the measures taken 'might become contrary to some of the provisions of the present mandate, such as the provision of Article 3 concerning the moral and material welfare of the natives. . . . The protectionist policy adopted under the Union was in his view hardly compatible with the stipulation of economic equality. . . . If that tendency was generalized under the régime of sheltered industries, it might be detrimental to foreign States. A Customs

[1] P.M.C. 23rd Session, 1933, p. 53.

[2] The idea of a 'closer union' of the three territories under the authority of a High Commissioner had been abandoned by that time.

Union would throw Tanganyika open to goods from Kenya on differential terms prejudicial to the other members of the League; a customs union, however, was only permitted subject to the economic equality of all States members of the League.'[1] Perhaps the most surprising feature of this remark is that discrimination against foreign countries is spoken of as a possibility—not as a reality—in the year 1933 when the Armitage-Smith Report, the Minutes of the Joint Committee on Closer Union and several other publications dealing critically with the same subject were available.

Two other members, M. Palacios and M. Ruppel, pointed out that, with the increasing co-ordination and co-operation between Tanganyika and the two other territories, 'the information supplied to the P.M.C. should be extended to all the effects which this joint administration may produce in the other territories when their interests, as a result of closer co-operation and co-ordination, are clearly connected with the interests of Tanganyika.'

Apart from these few remarks, the debate was exclusively concerned with the political and administrative aspects of 'closer co-ordination and collaboration.' The only reference to the customs union in the 'Observations' on the Report was: 'The Commission would be glad to be kept informed of developments in customs policy.'

No further debate deserving that name on the customs policy has taken place since 1933; neither the considerable increase in taxation of the cheaper classes of cotton piece and several other goods, mainly purchased by natives, nor the growing tendency of the inter-territorial trade to become unfavourable to Tanganyika, have called forth any further questions or comments from the P.M.C.[2]

From 1936 to 1940, customs policy found no place in the discussions of the Commission.

Even with full recognition of the P.M.C.'s limited power to influence any measure of policy which the responsible Government is determined to apply, the impression is unavoidable that the whole issue of the customs union and the policy adopted under it was not taken up by the P.M.C. with that thoroughness and perseverance which it had shown in other matters, sometimes of much less importance. Since this case throws light on certain shortcomings and limitations of the present Mandates System, it may be worth while to enquire further into the causes of this comparative failure of the P.M.C., if not to give another direction

[1] P.M.C. 23rd Session, 1933, p. 68.

[2] Misgivings about the customs policy were expressed last by Lord Lugard in 1935. P.M.C. 27th Session, p. 138.

to the customs policy, at least to insist on the production of more comprehensive and convincing material.

There can be no question of the Commission having been unaware of the problems involved. The principal objections against the policy applied were all taken up at one time or another by some of the members, if not by the Commission as a whole.

Even if the Commission was inclined to accept the favourable view of the customs union which the Government of Tanganyika had adopted in contrast to the misgivings expressed by Sir Donald Cameron and others in earlier years, it is astonishing how easily it allowed its doubts to be allayed. The only extensive attempt to prove the value of the customs union to Tanganyika was the Government 'Note on Customs Policy' published in 1933. As pointed out previously, it can hardly be considered convincing evidence that the effects on the mandated territory of the customs union and the fiscal policy applied under it were altogether beneficial.

Several explanations suggest themselves of the Commission's rather weak attitude. One of the main reasons was that the union had been sanctioned beforehand by the mandate; this made it easy to refute any criticism levied against the policy applied under the union by pointing to Article 10 of the mandate. True, Article 10 makes the reservation 'provided always that the measures adopted to that end do not infringe the provisions of the mandate,' but this reservation proved too vague to forestall the customs policy applied in later years. The compatibility of this policy with the stipulations of the mandate on both native trusteeship and economic equality might well have been questioned, had it been considered practicable to examine it under these aspects alone.

However, even in these circumstances, much more vigorous and searching criticism might have been levied by the Commission on the ground of this reservation. An essential point, for instance, which was never raised is that at the time when the terms of the mandate were laid down and approved by the Council of the League, Kenya and Uganda, the obvious partners in the envisaged union, levied import duties for revenue only, a policy which in its general character was similar to that applied in German East Africa and retained by the mandatory Administration of Tanganyika. The protectionist policy was adopted only in 1922 on the recommendation of the Bowring Committee in Kenya, as related earlier.

This discloses one of the main shortcomings of the Commission —the legalistic conception which most of the members held of their task; in other words, the determination to content themselves with examining whether the measures applied were in conformity

with the letter of the mandate. It is true that this formalistic outlook has not been as conspicuous in the treatment of all matters as it was in the case of the customs union, and that some members have earnestly tried to break through the legal framework and get to the economic facts. Nevertheless, the tendency not to carry the examination further prevailed and affected even those members who were inclined to take a broader view of the Commission's duties.

Part of the explanation of the attitude just described is probably to be found in the fact that most of the members appeared to be far more expert and to take a greater and more sustained interest in the administrative and political side of mandatory government than in its economic aspects. This became most evident by the manner in which the whole question of 'closer union' was treated. In both the special Report by M. Palacios and the extensive discussions based on it the approach was almost exclusively administrative or political, that is to say, the interest of the P.M.C. was concentrated on the question whether certain measures envisaged or introduced by the mandatory Power with a view to greater unification might endanger the integrity of the mandated territory. This is undoubtedly an issue of fundamental importance, and no one will deny the right, or rather the duty, of the Commission to watch over the independent status of the territory when far-reaching modifications in its relation to other, non-mandated, countries were planned. One cannot help noticing, however, a lack of proportion in the time and effort devoted to various issues, and it is difficult to understand why the postal union between Tanganyika and Kenya was made the object of many searching questions while the customs union was accepted as an unalterable fact. The introduction of a common postage stamp evidently gave more concern to some members than the adoption of a customs tariff avowedly framed with a view to furthering certain interests in Kenya whilst imposing, at least in the earlier stages, sacrifices on consumers and taxpayers in Tanganyika.

It seems that the composition of the P.M.C. was largely responsible for this preoccupation with administrative and political questions. Valuable as is the life-long experience of former colonial administrators, who form the majority of the Commission, the work of the Commission would unquestionably gain by the inclusion of more economists with a theoretical training and an all-round knowledge of general as well as colonial economic policy. More will be said on this point in the last part of this study.

No doubt, the question of the customs union was one of the most difficult and delicate which the Commission had to deal

with, because the union was part of a larger scheme for a new political organization of British East Africa, a scheme of which in the end very little materialized, not least owing to the articulate native opposition in both Uganda and Tanganyika to entering into a closer union with Kenya. Nevertheless, in view of the importance of the customs policy for the development of the territory and the progress and welfare of its inhabitants, it is not unfair to single it out as a test case for the working of the Mandates System or at least of its principal organ.

CHAPTER X

FOREIGN TRADE

IT remains to consider the facts of the foreign trade of the mandated territory and to examine whether they disclose any effects of the trade policy discussed in the preceding chapter.

1. GENERAL DEVELOPMENT

Table C1 gives the value of the external trade of Tanganyika in each year from 1925 to 1938, 1925 being the first year when recovery from the damage of the war can be considered as complete. The trade figures of German East Africa, for 1902 and 1912, have been added in order to allow a comparison between the development during the decisive years of German rule and the mandatory period. Such a comparison, though, can be drawn only in a general way. One difficulty is that approximately 40 per cent. of the total population of the former German colony lived in what is now the Belgian mandated territory, Ruanda-Urundi. But as this part of the colony was hardly opened up to external trade in 1912, its omission affects accuracy less than one might expect. Another disturbing factor is changes in the purchasing power of money between the two periods as well as within the post-war period. A more reliable picture of the actual development may be obtained by comparing the exported quantities of the more important products of the territory, as was done in chapter V (Table B).

The value of exports from German East Africa rose between 1902 and 1912 from approximately £264,000 to £1,540,000; imports increased during the same period from £443,000 to £2,463,000. The rate of increase in trade was thus fairly even in both directions, both imports and exports being between five and a half and six times the 1902 volume in the later year.

In the period 1925 to 1938 the value of the total foreign trade of the mandated territory surpassed that of the German colony in any one year, apart from 1931, the trough of the depression. The increase was particularly large in the export trade, the value of which was, as early as 1925, almost twice as big as in 1912. Nevertheless, the rate of progress achieved between 1925 and 1938, or even 1937, a peak year, remained far behind that attained in the period 1902 to 1912.

Another important divergence between the two periods is the fact that, owing to the large import of capital goods in each year

from 1900 to 1913,[1] the value of imports surpassed that of exports considerably, whilst under the mandate the tendency was at first undetermined, but from 1932 has been marked by an excess of exports over imports.

There are several explanations for these divergences. The most obvious ones are that the two periods represent different stages in the economic development of the territory, and that the earlier period was one of greater expansion of world trade in general.

The period from 1925 to 1938 may be divided into three sections: (1) 1925 to 1929, a period of rising values of exports as well as of imports, but with no distinct tendency towards an excess of either; (2) 1930 to 1933, a period of depression, reaching the trough of exports as well as of total trade in 1931, but of imports only in 1933; (3) 1934 to 1938, a period of recovery with a new record in the values of both exports and total trade in 1937. A retrogression in prices, particularly of sisal and coffee, was the cause of lower figures for 1938.

The considerable excess of exports over imports from 1932 onwards may be partly explained by the territory's growing liabilities abroad. In 1937, for instance, when the excess of exports amounted to roughly £1,400,000, public debt charges were £433,879, while Pensions and Gratuities, the greater part of which is probably transferred to overseas, claimed £96,226. Other remittances, such as interest and profits of private capital transferred abroad, cannot be stated with any certainty, but it is unlikely that the whole of the remaining excess was absorbed by them. It must not be overlooked, however, that, in addition to liabilities in overseas countries, Tanganyika has yearly to pay considerable sums to Kenya for services rendered by the Kenya and Uganda Railways and the port of Mombasa in handling the trade of Tanganyika, while Tanganyika has no similar item on the credit side of its balance of payments. It may be assumed, therefore, that part of Tanganyika's export surplus helps Kenya, which has a passive balance of trade, to meet its liabilities abroad.

Even if an excess of exports should be considered as in keeping with the present stage of the territory's development, the impression is inescapable that the rate of increase of imports under the mandate has been disappointing; from 1934 to 1937, in particular, they have not increased to the extent that might have been expected, seeing that the period was one of mining development on a large scale. This appears to bear out the contention that certain adverse factors, foremost political uncertainty, have caused overseas capital to hesitate in seeking investment in the territory.

[1] *Die deutschen Schutzgebiete in Afrika und der Südsee*, 1912–13, Statistischer Teil, pp. 226–227.

The relatively slow progress of Tanganyika's external trade is further demonstrated if the per head values of domestic imports and exports are compared with those of other African territories.

In 1937, Nyasaland alone of the more important British territories had considerably lower per head figures, while the figures of Nigeria were almost the same as those of Tanganyika. All the other territories enumerated in Table C2, have higher per head figures of both imports and exports. Thus the Tanganyika figures are surpassed by both those of Uganda and of the Gold Coast, two territories where almost the whole of the export as well as import trade depends on native production and native purchasing power. It is less surprising that Kenya and Northern Rhodesia export and import more per head, since in the case of the former country the relatively large and prosperous non-African population accounts for the higher figure, while the export of copper and the import of development goods have been responsible for a unique situation in Northern Rhodesia in recent years.

However, the inevitable general result of a comparison with other territories is that, as far as external trade figures can be taken as evidence, Tanganyika is less developed and its population has a lower purchasing power than is the case in most British African territories.

The import trade of a relatively little developed territory is generally more complex in its composition than the export trade, and it is necessary to single out certain important goods for the purpose of comparing imported values and quantities over an extended period.

Cotton piece goods, besides being the largest item on the list, are in many ways the most interesting article, because their imports reflect the development of native purchasing power as well as changes in native habits.

As far as values of imported cotton piece goods are concerned, the amount of 1925 was surpassed only once and then slightly, viz., in 1927; even in the prosperous year 1937 the value was not quite four-fifths that of 1925 (Table C3).

The picture is, however, very different if the yardage is examined. With the exception of 1926 and 1927, more cotton piece goods were imported in each year of the period than in 1925. 1937, with an import of 46 million yards, stands out as the peak of the whole period. In other words, the remarkable reduction in prices, which has taken place from 1930 onwards, has enabled the inhabitants of Tanganyika to maintain or even slightly increase their purchases of cotton piece goods in spite of greatly reduced incomes during the depression, and to buy considerably more of these goods in the relatively prosperous years 1935 to 1937 for considerably less

money than in 1925.[1] The progress in the purchase of textiles appears even more remarkable if artificial silk goods are added. In this article, too, the much larger increase of the imported yardage is striking (Table C4).

It is probably true that this development was accompanied during the slump by a deterioration in the quality of imported textiles and that the conquest of the market by Japanese manufacturers was partly due to their 'realizing that in a time of money shortage the native prefers quantity to quality.' On the other hand, it is asserted that 'the cheap Japanese goods are often of surprisingly good quality.'[2] Moreover, if the whole period is considered, a shift has taken place from the cheapest kind—grey unbleached piece goods, mainly used for native shirts and loin cloths—to the more expensive and varied printed, dyed and coloured piece goods which are worn in a great variety of designs particularly by native women.

Thus of the total sum spent on cotton piece goods in 1925, 39.5 per cent. went to buy grey unbleached goods and 52.0 per cent. printed, etc., cotton goods, while in 1938 the share of unbleached grey goods had dropped to 18.7 per cent. and that of printed, etc., goods risen to 75.2 per cent. Expressed in percentages of the imported yardage, the respective shares of grey unbleached and of printed, etc., goods were in 1925 48.0 per cent. and 43.2 per cent.; in 1938, however, 26.2 per cent. and 66.8 per cent.

A similar, but even more pronounced, development is reflected in the import of boots and shoes (Table C5). Values as well as quantities have risen considerably over the whole period with only slight setbacks during the depression and again in 1938. This remarkable progress became possible and was maintained even in the slump years owing to the import of very cheap canvas shoes with rubber soles from Japan. But in the import figures of this article, too, a tendency towards the purchase of a better and more durable class of goods becomes noticeable with increasing prosperity.

From 1936 a distinct increase took place in the import of leather shoes. They accounted for 19 per cent. of all imported shoes in 1935, but for 35 per cent. in 1938. This increase may, of course, be in part due to purchases of the non-African population. Since, however, the average value of a pair of leather shoes was little over 2s., and since the shoes came mainly from Czechoslovakia, where the Bata works manufacture cheap leather shoes on a large scale, there is little doubt that Africans were the main buyers. Measured by the standards of more advanced countries, the

[1] The setback in both imported values and quantities in 1938 cannot be explained exclusively by economic factors, but must be attributed in part to political uncertainty.

[2] Trade Report for 1933.

acquisition of 300,000 to 500,000 pairs of new shoes per year—assuming that no shoes are manufactured in the territory—for a population of well over five million appears modest, and it leaves room for further progress. Nevertheless, the figures reveal a remarkable change in the clothing habits of the native population since 1925, and one, moreover, of great importance from the hygienic point of view, as the wearing of shoes is the best protection against the hookworm, one of the worst scourges destroying the African's health and vitality.

Two factors contributed essentially to this result—the successful policy of increasing native purchasing power by the extended cultivation of commercial crops, and the fact that textiles, apparel, and various other articles were brought within reach of a great many natives who had been unable to buy them so long as they were available only at a considerably higher price. Thus the régime of non-discrimination stipulated by the mandate has undoubtedly helped to raise the standard of living of Africans. It is equally clear that any measure restricting the natives' liberty of buying in the cheapest market must mean a setback to this progress, and exclude particularly the poorest and most backward sections from access to the essentials of a more civilized and healthy mode of living.

2. GEOGRAPHICAL DISTRIBUTION

So far, external trade figures have been considered mainly from the point of view of Tanganyika's internal development. An examination of the geographical distribution of exports and imports will help to throw light on the effect of the customs policy and other measures on the economic relations of the territory with other countries.

An analysis of the list of countries to which Tanganyika exports are directed has only limited value, because the 'country of consignment' stated in the statistics is in many cases not the country of ultimate destination.

Produce given as exported to Great Britain, Holland, Belgium or Germany is frequently re-exported, while some of the cotton recorded as exported to India finds its way to Japanese cotton mills. The greatest source of uncertainty in the export statistics of Tanganyika is, however, the fact that the ultimate destination of Tanganyika produce exported via Mombasa cannot be stated with any degree of accuracy.

In spite of these deficiencies, some interesting facts may be derived from Table C6. The general impression conveyed by it is that the exports of Tanganyika reach a greater number of countries and are, therefore, less dependent on the market of the metropolitan country, than was the case with those of German

East Africa. Although, if the figures are taken at their face value, the United Kingdom was the chief customer of the territory in most years from 1925, its share never equalled that held by Germany in her former colony. The latter amounted in 1912 to 56.4 per cent. of all exports, while the highest proportion of exports to the United Kingdom was 32.3 per cent. The increase of the United Kingdom's share from one-fourth in 1925 to nearly one-third in 1938 is exclusively due to the fact that gold, almost entirely exported to the United Kingdom, has become one of the major exports of the mandated territory. Without gold exports, the United Kingdom's share amounted only to 21.2 per cent.

From 1933 to 1938 the United Kingdom took in each year 24 to 28 per cent. of the exported sisal, while 48 to 50 per cent. went either to Germany, Belgium or Holland, and 10 to 12 per cent. to the United States.

Of the exported cotton, 40 to 50 per cent. was consigned to British India, 15 to 20 per cent. to the United Kingdom, 16 to 22 per cent. to Kenya and Uganda with its ultimate destination unknown. It may be assumed that a portion of the cotton recorded as exported either to Kenya or to British India went ultimately to Japan which in 1934 took as much as 18.9 per cent. of Tanganyika's cotton exports, but in 1938 imported directly only 3.9 per cent.

75 to 85 per cent. of the coffee exported from Tanganyika is consigned to Kenya-Uganda; virtually all of this coffee is re-exported. The principal destinations of these re-exports are given for 1938 as follows:[1]

	Per cent.
United States	35
Canada	19
United Kingdom ...	7
Germany	7
Union of South Africa	6

About 60 per cent. of the exported groundnuts went in 1938 to the Union of South Africa, while France was an important buyer of copra; as mentioned previously, Kenya buys the greater part of the Tanganyika rice crop for domestic consumption. Practically the whole of the exported sugar and tea and almost the entire output of gold are sent to the United Kingdom. In view of the fact that sugar and tea are crops of recent date designed to put the European sector of the territory's economy on a broader basis, the preference accorded to Tanganyika produce on the English market must be considered as of special value, even if the quantities so far exported are not large.

As in the export trade, the German share in imports of the

[1] Trade Report of Kenya-Uganda for 1938, Table IX.

German colony—amounting to 51.3 per cent. in 1912—has been considerably higher than was the share of the United Kingdom in imports of the mandated territory in any one year since 1925. (Table C7).[1]

The share of the United Kingdom shows, moreover, over the whole period a tendency to fall. This is mainly due to the loss of a great part of the trade in cotton piece goods to Japan, and, further, to the reduction in the import of capital goods on behalf of the Government during the later part of the period.

Imports of cotton piece goods from the United Kingdom which, in 1925, represented—in value—28 per cent. of the total imports of cotton piece goods, had declined in 1938 to 9.6 per cent. of the total imports (Table C8).

With the actual and relative decline of the import of cotton piece goods from the United Kingdom, machinery became of outstanding importance amongst imports from that country. In other words, whilst a large proportion of the current trade in consumption goods, particularly those bought by the native population, passed to other countries, Great Britain remained the principal supplier of investment goods. Her share in the import trade is, therefore, particularly susceptible to trade fluctuations and to changes in the general rate of development, especially as far as the latter is financed by the Government. The cessation of the issue of new Government loans, together with the restriction of public works and public expenditure in general, after 1932, was, therefore, bound to reduce the share of the United Kingdom in Tanganyika's imports.

Two other countries whose share in the import trade has considerably declined are British India and Holland. In their case, too, the decline was due mainly to the loss of trade to Japan in cotton piece goods (Tables C7 and C8).

Countries which were especially able to increase their share in Tanganyika imports were Kenya-Uganda and Japan. The circumstances in which the former strengthened their hold on the Tanganyika market have been discussed at length in the preceding chapter.

As in other African territories, the ascendancy of Japan has been an outstanding feature of the import trade since 1930. Whilst in the peak year of foreign trade, 1929, the Japanese share of the total imports had amounted only to 6 per cent., it accounted for nearly 24 per cent. in 1937, but dropped to 17.2 per cent. in 1938.[2]

Although Japan has made headway in a variety of articles, such

[1] It is necessary to give total instead of domestic imports, since the information available does not allow to allocate re-exports to their respective countries of origin.

[2] This is partly attributed to overstocking in the preceding year.

as apparel, boots and shoes, enamelled hollow-ware, earthen and glassware, and cement, her hold on East African markets depends predominantly on the import of cotton and artificial silk piece goods. They accounted in 1938 for as much as 96.3 per cent. of Tanganyika's total imports from Japan.

In 1925, Japan had supplied under one-fifth of the cotton piece goods imported into Tanganyika; by 1933, her share had risen to two-thirds, and in the following years it increased further. Expressed in yardage, it accounted for 23.5 per cent. in 1925, and for 82.5 per cent. in 1938.

Great Britain and Holland were ousted chiefly from the market in the cheaper classes of cotton goods, while they were able to retain their position or recover ground lost during the depression in some of the better varieties. But Japan, which first conquered the market in grey unbleached cotton goods, has not stopped short at the better classes of goods. The increase in purchases of printed, dyed and coloured piece goods, and the simultaneous decline of the import of grey unbleached goods was largely due to Japan's ability to supply these better qualities at a greatly reduced price. In 1925, 95 per cent. of the sum spent on cotton piece goods from Japan were accounted for by grey unbleached goods and only 4.8 per cent. by printed, dyed and coloured goods; in 1938, the percentages were 24.9 per cent. for grey unbleached and 68.7 per cent. for printed, etc., goods.

India was to a large extent displaced by Japan as a supplier of cheap cotton goods, and so were several other countries which virtually ceased to import cotton piece goods into Tanganyika, viz., Germany,[1] the United States, and Italy.

In spite of this, Germany was able to increase her share in total imports in the later part of the mandatory period. This increase coincided with the extension of the sisal industry. Since on the older estates the original equipment was of German manufacture, supplementary parts and plant for extensions were normally bought from the same source. In the case of plantations and farms more recently established by Germans, it is not unlikely that the manner in which German settlement was financed, viz., through a central agency, the Usagara Company, helped to secure orders for the supply of the equipment to German manufacturers. In tools and implements, as well as cutlery, electrical and metal goods, Germany met the major part of both the non-native and the native demand; in many of these articles, as in machinery in general, British and German manufacturers were competitors.

The United States, whose share of the total imports rose from 3.9 per cent. in 1925 to 7.0 per cent. in 1938, supplied mainly

[1] Germany continued, however, to send a comparatively large number of cotton blankets.

motor vehicles and motor cycles, tyres and tubes, motor spirit, fuel and lubricating oil, and kerosene.

A survey of the geographical distribution of the external trade of Tanganyika leads to the conclusion that the country sends its products to a fair number of countries inside and outside the Empire, without precarious reliance on a particular market, while the door for imports from many countries has been kept wider open than in most African territories. Despite these favourable features, however, progress, as expressed in external trade figures, particularly of imports, has been slower than that achieved in the twelve years before 1914, and the volume of trade per head of the population remains below the standard attained in most other African countries where conditions are comparable. The lack of fertility in large tracts of Tanganyika may partly account for this comparatively slow progress. But it is difficult to escape the conclusion that an Administration so sincerely anxious to further native progress and welfare might have accomplished more under a customs policy more in accordance with the requirements of the country.

CHAPTER XI

PUBLIC FINANCE AND TAXATION

THE system of public finance adopted in a country is in many ways a mirror of its economic and social structure. It is also a means of influencing and modifying that structure either deliberately or accidentally.

In an only partly developed colonial country with a comparatively simple economic and social structure this interdependence is particularly apparent. Financial policy is largely governed by the fact that important sections of the population are in a stage of transition from a subsistence and barter economy to a money economy, and methods of taxation have to be simple and fairly crude.

A more complicated situation confronts the Administration in those countries—not exclusively colonies—where two or more racial communities of widely divergent economic development and cultural standards live side by side.[1] In these circumstances, the main problems are to find the methods of taxation best suited to the economic organization of each community, and to allocate expenditure in such a way as to give the utmost possible amount of assistance from general revenue to the backward section of the population, in the attempt to raise its standard of living, without taxing the proceeds of non-native enterprise and capital to such an extent as to discourage them from participating in the country's development. Fundamentally, this problem is no different from that facing more advanced countries. But the sense of unity between the various sections of the population in a culturally homogeneous community makes it easier to tax the rich in order to help the poor, to put it plainly, than in colonial territories where a wide gap separates the foreign immigrant from the bulk of the indigenous population.

A third set of questions peculiar to colonial territories concerns the financial relations of these territories with the mother country. The chief issues here are how far the latter is able and willing to lend financial help to the colonial dependencies, and how far these latter may be called upon to contribute to the cost of institutions and services in the mother country.

These problems differ very little in a mandated territory from

[1] The outstanding example of a self-governing country where the same problems exist is, of course, the Union of South Africa. It is an open question, however, whether in its economic organization and social structure the Union has not retained essential features of a colony. See on this point the author's *Der südafrikanische Eingeborene als Industriearbeiter und als Stadtbewohner*, 1931, p. 139.

what they are in a colony; nevertheless, the stipulations of the mandate and the supervision by the P.M.C. are not without significance for the financial policy of the respective territories.

1. GENERAL FINANCIAL HISTORY OF TANGANYIKA

The financial history of the territory between 1923–24 and 1938, as reflected in the budget, is set out in Table D1.

In the first years of transition after the war, with the partition of the former German colony into two territories—under British and Belgian mandate respectively—there was, not surprisingly, a reduced level of activity and prosperity in the economic and financial field as compared with the years before 1914.[1] As early as 1924–25, however, the current revenue of Tanganyika alone surpassed the level of that of the German colony immediately before the war. Changes in the purchasing power of money, however, reduce the value of comparison.

From 1924–25 onwards, recovery as expressed in rising figures of revenue and expenditure, proceeded rapidly and uninterruptedly up to 1929–30. The increase in ordinary revenue in those years was such as not only to allow of the expansion of ordinary expenditure, but also to make it possible to meet considerable expenditure on extraordinary works, as well as a railway deficit of varying dimensions. Later on, when the territory encountered great difficulties in balancing its budget, it was, however, found necessary to refund to current revenue most of the capital expenditure on public works from the proceeds of a loan raised for this purpose in 1932.

The policy of financing capital works from current revenue, moreover, prevented the building up of such reserves as were of great help in weathering the storm of the economic depression in some other British African territories, notably Nigeria. Since Tanganyika had contracted considerable debt charges, which could not be reduced with falling revenue, the territory was confronted with a very difficult financial situation when revenue decreased during the slump. In 1931–32, in addition to an excess of expenditure over revenue of £250,000 in the general budget, the railway account closed with a deficit of £206,000, whilst £50,000 had to be found for extraordinary works. It was this critical situation which induced the Colonial Office to send Sir Sidney Armitage-Smith on 'A Financial Mission to Tanganyika'.

In his Report, which was published after his death, he subjected the financial policy of the preceding ten years to a searching scrutiny. His very outspoken criticisms were summed up in the statement that 'it is unwise in a new and untried territory, relying

[1] See for the latter *Vierteljahrshefte zur Statistik des Deutschen Reichs*, *loc. cit.*

for its economy on one or two main crops and for its revenue on one or two large heads of taxation, to budget up to the hilt on the hypothesis of continued and unbroken prosperity. Further, it is unwise to provide in a territory which is not actually rich, but rather of moderate resources, a scale of social services, however desirable in themselves, such as might be appropriate to an established and prosperous community.'[1]

The whole machinery of government was, in the Commissioner's view, far too expensive and pretentious, particularly that part which proceeded from central headquarters. In consequence, the territory did not reap the economies which appeared feasible in a system of decentralized local administration based on Native Authorities. According to Sir Sidney, 'governmental machinery should be adapted to the needs and resources of the African, and not to those of a highly developed, industrialized and prosperous community such as those in which its (the territory's) European administrators have been born and bred. We must cut our coat according to our cloth, and the cloth is black and scanty.'[2]

Sir Sidney's allegation that a too expensive European Administration imposed an undue burden on the territory, and, moreover, one which had mainly to be borne by the native population, was vigorously denied by the Government. However, partly as a result of the Report, and partly even before its completion, under the stress of financial necessity, decisive curtailments were made in the administrative organization and in several services.

Fortunately, it became evident in subsequent years that Armitage-Smith's appraisal of the country's economic possibilities had been too pessimistic. This applied particularly to the chief export industry, sisal. The potentialities of the gold mining industry were even less easy to foresee in 1932. Since these two industries constitute the main field of European enterprise, their undeveloped or reduced state at the time when the Report was written undoubtedly led Sir Sidney to underestimate their contribution to the territory's economic life and financial resources.

The lessons learnt in the years of the depression, however, were heeded by the Administration, and expansion in the more prosperous subsequent years was far more cautious than it had been between 1925 and 1930. Nevertheless, in 1936 and 1937, the figures of ordinary revenue as well as expenditure were higher than in any previous year, and even the railway budget closed with small surpluses. But 1938 brought renewed proof of the high degree of vulnerability of the territory's financial position. The year concluded with a shortage in ordinary revenue of £205,000 as compared with estimates, and a deficit of £20,780 on the railway account. Since reserve funds amounted to only

[1] Cmd. 4182, 1932, p. 39. [2] *loc. cit.*, p. 16.

£200,000, apart from a railway renewal fund of £150,000, it was obvious that the territory had not yet passed the danger zone of precarious finance and had little to fall back upon in the event of a new depression of world trade.

2. THE PRINCIPAL SOURCES OF REVENUE

The devices for raising revenue are limited in a country like Tanganyika where large sections of the population have only just become used to money as the general agent for effecting payments, and where a prosperous mining industry is not yet available as an easily flowing source of revenue, as is the case in the Union, Southern Rhodesia, and the Belgian Congo.

The revenue of Tanganyika is derived, as was that of German East Africa, mainly from customs duties and direct native taxes.

Although the proceeds from both these sources have somewhat decreased proportionally in the later part of the period, there are few years in which they amounted to less than two-thirds of the total revenue (Table D2).

(*a*) *Customs Duties*

Apart from the general state of prosperity, the foreign trade policy applied to a country is the main factor determining the revenue from customs duties. The way in which the trade policy has affected the customs revenue of Tanganyika, has been discussed in a previous chapter.[1]

Another important factor influencing the amount of revenue derived from customs duties, is the rate of the native hut and poll tax, in as much as the proportion of the money income which Africans are able to spend on trade goods is determined by what is left after the payment of direct taxes. The maintenance of a relatively high rate of hut and poll tax during the depression from 1930 to 1933 had, therefore, inevitably an adverse effect on the proceeds from import duties, particularly from those on cotton piece goods. These account usually for from one-third to two-fifths of the total customs revenue, but in 1931 their share dropped to 25 per cent.

(*b*) *Direct Native Taxes*

If, as Lord Lugard has pointed out,[2] direct taxes on natives should be levied immediately after the occupation of a territory, even if not required for financial purposes, in order to assert the authority of the colonial Government, it is certainly essential to choose a tax which can be levied with as little friction and hardship as possible.

[1] See chapter IX.
[2] *The Dual Mandate in British Tropical Africa*, pp. 233–234.

After colonial government has been firmly established, these taxes continue to occupy an outstanding place in most systems of colonial administration, apart from their financial importance. This is due partly to the psychological influence which they exert on the population. Relatively little has been heard of native discontent and unrest kindled by the imposition of customs duties, however heavy their incidence, whereas riots of taxpayers are a not uncommon feature in colonial history. Direct taxes are, moreover, a potent force making for change in the economic organization and social structure of native communities.

Although methods of taxation have to be fairly simple, direct taxation of natives presents, therefore, a number of problems the solution of which may be attempted in a variety of ways.

The native population of Tanganyika was well accustomed to the payment of taxes when the mandate was established, since in German East Africa a native House and Hut Tax had been levied from 1897 to 1912 when it was replaced by a Poll Tax on all male adults.[1]

Under new regulations introduced by the mandatory Administration in 1922, a hut tax again became the principal tax, while the poll tax was confined to adult native males owning no hut. The rate was in most districts six shillings per hut or taxpayer. In townships a house tax of varying amount, but not exceeding 24*s*. per annum, was levied on native-owned houses. In 1923, an 'additional hut tax' on each wife after the first was added. This was found necessary not so much as a means of taxing higher capacity to pay, as in order to fight overcrowding which had occurred under the hut tax.

The assignment of tax defaulters to work for private employers, permissible under German law, was abolished, but natives, unable to procure the cash for payment of their tax, can offer labour on public works in lieu of payment.

In the following years, several important modifications were introduced. In the main, they were designed to give a higher degree of flexibility and adaptability to native taxation, and to increase the responsibility of Native Authorities in the assessment and collection of the tax.

The first object was attained by a further differentiation of the rate, according to districts, and by a certain adjustment of the rate from year to year to native capacity to pay according to harvests and prices of produce. The rate varied between 15*s*. levied on the Masai, who are large cattle holders in the Northern Province, and four shillings in the poorest districts.

The Plural Wives Tax amounts, in general, to half the principal tax per additional wife; in the wealthiest districts, however, it is

[1] See K. Rathgen, 'Eingeborenensteuern' in *Deutsches Koloniallexikon*.

levied at the full rate of the principal tax. This tax, which did not exist in the German colony, proved a very unpopular measure. A beginning at abolishing it was made in 1938, when it ceased to be levied in two provinces.

The differentiation in the rate according to district—a method not unknown even in more advanced countries, though there it is applied less as a means of adapting taxation to capacity to pay, than of meeting varying local needs—is yet the chief device used in Africa with a view to adjusting the tax to differences in wealth and development. As a measure of graduation it is very crude, and the desirability of a higher degree of differentiation has been emphasized in several documents referring to various countries,[1] but hardly any of the suggestions made have so far been followed up.

The Tanganyika Native Tax Ordinance of 1934[2] makes provision for a graduated Personal Tax payable by every native residing in a specified area whose taxable wealth has been assessed at a sum exceeding 2,000 shillings.

The taxable wealth is to be assessed by the Native Authority of the area by estimating or computing the value of the profits or gain to the taxpayer from any trade, business, profession or employment, or from the livestock owned by him.

This provision, which has encountered great interest in the P.M.C., would represent an interesting step towards the introduction, in a predominantly native African country, of the modern principle of taxation according to individual capacity to pay.[3] So far, however, only a single area—the Pare District in Tanga Province—has been 'specified', and this only in 1942. Under a new Ordinance, issued in that year,[4] the Native Authorities in the specified areas may be authorized to decide in what manner the native tax is to be determined or assessed, and, in assessing the liability of individual taxpayers, they may apply a graduated scale. The Native Authorities have also to regulate the discharge of the tax liability by labour—upon undertakings and services of public utility approved by the District Commissioner—and are responsible for the collection of the tax. It has not yet become known whether and in what manner graduation has been actually introduced in the selected district, but the experiment certainly deserves watching.

Another method, likewise authorized by the 1934 Ordinance

[1]Most decisively with interesting suggestions as to possible methods by Lord Moyne in his *Report on Certain Questions in Kenya*. Cmd. 4093, 1932, pp. 13 and 36.

[2] No. 20 of 1934.

[3] It had been applied so far only to sections of the African population in the two French African mandated territories, but hardly anything is known about its working there.

[4] No. 29 of 1942.

and not ruled out by the new Ordinance, is a communal tax. In this case, a lump sum is assessed which has to be paid for the members of a tribe or other native community by its head; he allocates to the members their respective liabilities, 'as may be just and equitable having regard to their relative wealth.'

This method, which has been applied successfully in the Northern Provinces of Nigeria,[1] has the advantage, from the Administration's point of view, of ensuring a certain revenue; but it is doubtful whether as much regard is paid to individual capacity to pay as under a graduated personal tax. In this respect, the method applied in parts of the Southern Provinces of Nigeria appears to have more to recommend. Taxation consists here of a flat rate and an extra charge which is added when certain criteria indicating a higher level of prosperity are given.[2]

There is no doubt that neither method can be applied to Tanganyika without a large amount of control by administrative officers over the assessment undertaken by the Native Authorities.

To foster greater interest and responsibility in financial matters on the part of these authorities, is one of the chief objects of the system of indirect rule which was introduced in 1926 by Sir Donald Cameron. A preliminary measure on the financial side was the commutation into cash payments of tributes hitherto rendered to the chiefs in kind or services. By this means large sections of the native inhabitants acquired greater independence and more freedom to move outside their tribal area.

On the other hand, Native Authorities were entrusted with the collection of the hut and poll tax wherever this proved feasible, and, after Native Treasuries had been set up, a portion of the proceeds, varying from 20 to 30 per cent., was allocated to them. The tax, supplying over 70 per cent. of the revenue of Native Treasuries, thus became the financial basis for the activities undertaken by Native Authorities.[3] This arrangement makes the tax an important factor in the education of these authorities and their staff towards a larger degree of responsibility in financial affairs, however rudimentary this may be.[4]

[1] There it was possible, however, to build on established traditions, since that form of taxation had been applied by the Moslem Administrations for many years. See Margery Perham, *loc. cit.*, p. 51.

[2] *Ibid.*, p. 182.

[3] As an example of these activities, the fact may be mentioned that in one district of the Eastern Province 'the native authorities, besides supporting their tribal administration, maintained two schools, fifteen dispensaries, nine markets, and spent £250 in the upkeep of village roads.' Reports of Provincial Commissioners for 1938. See also Table D3.

[4] According to the Provincial Commissioner of the Northern Province, which is inhabited by some of the most advanced sections of the native population, 'it would be idle to maintain that the native authorities of the Province will be capable of dealing, unaided, with their own financial affairs for years to come.' *Ibid.*, p. 50.

Table D2 shows that direct native taxes have been the most important source of revenue during the whole period, with the exception of the last three years. In no year, except 1936, 1937, and 1938, did they contribute less than one-third to the territory's total current revenue. Another fact disclosed by the figures is that, though not reacting as strongly as the income from customs duties, the proceeds from native taxes remain by no means unaffected by fluctuations of trade and prosperity. Far from representing a reserve in years of falling revenue from other sources, native taxes too have to be reduced wherever their rate is based on the average capacity to pay in years of prosperity, and there are few African communities where this was not the case, at least in the years preceding the economic depression of 1930.[1]

In Tanganyika, the rates were maintained, at the outset of the depression, at the high level to which they had been raised in the preceding prosperous years. Collection became, however, more and more difficult. The proceeds fell from £710,596 in 1930-31 to £544,511 in the following year as compared with an estimate of £758,000, because a considerable number of taxpayers—about 400,000, according to Sir Sidney Armitage-Smith[2]—defaulted.

In view of the unsatisfactory results of the collection, the Government charged, in 1934, an administrative officer, Mr. Kitching, with a thorough investigation of the system of native taxation. His Report—of which only extracts[3] were communicated even to the P.M.C.—besides advocating a reduction of rates, suggested several reforms which were incorporated in the Native Tax Ordinance of 1934. One was the raising of the age at which poll tax becomes due from sixteen to eighteen years; another provided for the introduction of a graduated personal tax in selected districts. The abolition of the Plural Wives Tax was also recommended in the Report.

A comparison with adjoining British territories shows that native taxation in Tanganyika cannot be considered particularly heavy. Northern Rhodesia and Nyasaland, where both rates and incidence are lower, are less developed and have a more backward

[1] Attempts to compensate for the loss of revenue from other sources by raising the rate of native taxes were undertaken during the depression in French West Africa and in Bechuanaland, but proved abortive. In French Togoland, the raising of the rates of direct taxes, including the rate of commutation of 'prestations', caused a serious riot in Lomé, the capital.—*Report of the Lomé Incidences*, P.M.C. 24th Session, 1933, Annexe 13.

In Bechuanaland, the already high rate of the hut and poll tax was raised in 1932 by 3*s*. to £1.3, with the result that the number of defaulters was estimated for 1933 at 10,000 out of a total of 39,000, and the former rate had to be restored.—See Sir Alan Pim's Report on the *Financial and Economic Position of the Bechuanaland Protectorate*. Cmd. 4368, 1933, pp. 44 seq.

[2] *loc. cit.*, p. 26. In one district in the Western Province only 45 per cent. of the tax liabilities was discharged in 1931–32.

[3] Colonial No. 105, pp. 55–56.

native population than Tanganyika. The figures in the following table relate to 1937:

Direct Native Taxation in East African Territories

Country	*Rates of Tax*	*Incidence per head of African population*
Kenya ...	12 shs., 13 shs. for the Masai, 3 to 10 shs. in less developed Districts; plus 2 shs. levied by Local Native Councils	3.27 shs. (exclusive of rate levied by Native Councils).
Uganda ...	5 shs. to £1.1 inclusive of tribute paid to Native Administrations	3.25 shs.
Tanganyika	4 to 12 shs., plus Plural Wives Tax, varying from 2 to 12 shs. per additional wife.	2.66 shs.
Northern Rhodesia	7*s*. 6*d*. to 15 shs.	1.68 shs.
Nyasaland	6 shs.	1.46 shs.

The fact that the proportional contribution from native taxes to the total revenue in Tanganyika shows in recent years a marked tendency to decrease, is a healthy sign of the more varied development of the country's resources, allowing part of the burden to be shifted to other sources of revenue. Since a considerable portion of these—land rents, mining royalties and rents, trade, vehicle and liquor licences, etc.—are mainly paid by members of the non-African communities, their increasing importance may help to lighten, at least proportionally, the burden at present borne by the native population.

The chief problem presented by native taxation in Tanganyika, as in other territories at a similar stage of development, is how the incidence of the tax can be better adjusted to individual capacity to pay. In tackling this problem, the legislator has so far shown more daring than the administrator, who has not yet seen his way to follow the example of Nigeria and the two French West African mandated territories and to introduce to any great extent some measure of graduation beyond the differentiation of the rate according to district. Through the retention of the Plural Wives Tax in the greater part of the country, native taxation in Tanganyika appears even less progressive than in other British East African territories.

(*c*). *Direct Taxation of non-Africans*

The same reluctance to introduce what, under African conditions, must be considered novel and experimental measures, is noticeable in the policy pursued in respect of the direct taxation of non-African persons and enterprise. The first step in this direction was taken only in 1930 when an Education Tax was introduced, to be levied on every adult European and Asian at the amount of 30 shs. per annum. This tax proved unsatisfactory from several points of view.

The allocation of the proceeds of a tax imposed for the explicit object of promoting the education of non-African children, whatever their national origin, inevitably raised difficulties in a country where non-native residents represented a great number of races and nationalities. It was found untenable to subject the members of all non-African communities to this tax when educational grants from the proceeds were made only to the more numerous communities.[1] Moreover, a tax levied exclusively for the subsidizing of education could not be considered a satisfactory and sufficient contribution by non-Africans to the general revenue of the territory.

The Education Tax was, therefore, superseded, in 1932, by a graduated non-native Poll Tax. It is levied at the rate of 1 per cent. of the net income of every non-native male over eighteen years and rises in slow progression up to £500—a sum which is due from incomes in excess of £10,000 only; from that point the tax becomes degressive.

In reply to repeated requests by the P.M.C., who demanded the adjustment of the tax to a more modern conception of income tax, applying a steeper progressive tariff to high incomes, the Administration declared any such measure to be impracticable.

The main reasons given were the inability or unwillingness of the Asian commercial community to keep accounts, on the one hand, and the close economic interdependence of Tanganyika, Kenya and Uganda on the other. It was considered detrimental to the economic and financial interest of the mandated territory to introduce an income tax which would have to be levied not only on individuals, but also on companies operating in Tanganyika, so long as the two other territories had introduced no such taxation. The relevance of this argument was admitted even by Sir Sidney Armitage-Smith, who expressed the general view that non-Africans should be made to contribute a much larger share towards the financial burdens of East African territories.

Even after the introduction of an income tax in Kenya in 1937,

[1] 'The result was that numerous little isolated communities throughout the Territory began to consider themselves entitled to some return in educational services and to be aggrieved when none was forthcoming.' Annual Report for 1935, Colonial No. 113, p. 52.

the Administration of Tanganyika declared that 'an income tax would, from a fiscal point of view, be premature and inadvisable.'[1] Since both Nyasaland and Northern Rhodesia introduced a graduated income tax extending to the income of companies years ago, Tanganyika and Uganda were the only British East African territories where the direct taxation of non-natives was still confined to a non-native Poll Tax of small financial significance.

The main reason adduced by the Government of Tanganyika for its attitude was that an income tax would apply to fewer than 3,000 persons, or, if non-native Poll Tax was retained for incomes below £600, to under 500 persons only. The skilled assessment of these persons, who were scattered over a wide area, would involve expenditure out of proportion to the financial result.

The calculation underlying this reasoning was, however, based on the taxation of individual residents of the territory only, and left out of account the taxation of companies and of non-residents. This is the more surprising, as in the other East African territories the taxation of the profits of companies is by far the most important part of the tax from a fiscal point of view. Moreover, in Kenya, where income tax is levied 'upon income of any persons, accruing in, derived from, or received in, the Colony', no less than 38.6 per cent. of the yield of the tax in 1937 was paid by non-residents.

No doubt, reluctance to introduce an income tax into Tanganyika on the model of that levied in neighbouring territories was prompted mainly by the Government's anxiety, in view of the precarious political situation of the mandated territory, to avoid any measure which might further discourage capital from seeking investment in the country. This apprehension was, however, overridden by more pressing requirements of war-time finance, for by an Ordinance of 1940[2] an income tax was introduced on the lines of the Kenya law.

The financial result of the new tax will depend largely on factors impossible to foresee. The sums raised through the non-native Poll Tax, although increasing from year to year, were not high. Starting with £13,047 in 1931–32, they amounted only to £46,399, or somewhat over 2 per cent. of the total ordinary revenue, in 1938.

It is hardly necessary to stress the fact that these sums do not represent the whole contribution made by non-Africans to the revenue of Tanganyika. There are a number of other taxes and fees,[3] the proceeds of which are either entirely, or mainly, derived from the non-African section. An attempt has been made to allocate shares of the proceeds of these taxes to non-natives and natives respectively for 1938. The method of allocation is based

[1] Colonial No. 148, p. 199.

[2] No. 18 of 1940.

[3] The most important being the non-Native House Tax, Game, Vehicle and Trade Licenses, and Stamp Duties.

on a division similar to that made in a memorandum which was drawn up, on the basis of the receipts for 1926–27, by the Tanganyika Treasurer for the Joint Select Committee on Closer Union in East Africa.[1] The result is that the non-natives, while contributing about one-fifth of the total revenue from taxation, are responsible for at least 82 per cent. of the income from these other non-personal taxes. In addition, non-natives contributed a considerable proportion towards the revenue from Government property and several other sources.

The most important of these are, of course, customs duties. Unfortunately, any attempt to arrive at the amount of customs revenue contributed by natives and non-natives respectively is only guesswork, as the Treasurer of Tanganyika wrote in the memorandum just mentioned. Nevertheless, the memorandum undertook to divide the various items of customs revenue for 1926–27 between natives and non-natives on the basis of consumers' habits. The result was that non-natives were found to be contributing 57 per cent., and natives 43 per cent. of the total proceeds.[2]

Even if this division is accepted as correct, it cannot be assumed that the proportion has necessarily remained unchanged. Too little is known of the extent to which the purchasing power of the various communities has increased and of the changes which the habits, in particular, of native consumers have undergone since 1926–27. Nor can it be stated with certainty how far modifications in the customs tariff have affected the shares contributed by both natives and non-natives.[3]

However, when allowance has been made for many uncertain factors, it seems safe to say that non-natives contributed at least 50 per cent. of the total customs revenue and probably more, and are responsible for roughly 40 per cent. of the total sum raised by both direct and indirect taxation. The small number of non-Africans—representing 0.8 per cent. of the total population—are thus not unduly spared their share in the financial burdens of the territory.

3. PUBLIC EXPENDITURE

(a) *Allocations to various Services*

In the view of Sir Sidney Armitage-Smith the outstanding fact in the financial history of the territory between 1925–26 and

[1] Vol. III Appendices, 1931, p. 217.

[2] On the basis of a similar estimate for the same year 60 per cent. of the customs revenue in Kenya was paid by non-natives. *Ibid.*, p. 212.

[3] Nor must it be assumed that the shares are the same from year to year; the yield from the more important crops and the world prices of exported produce, particularly sisal, are apt to alter the proportions.

1930–31 was that 'whereas true recurrent revenue increased by nearly 8 per cent., expenditure increased by more than 40 per cent.'[1] The rise in current expenditure was due mainly to substantial increases in the allocations to certain services, particularly Education, Medical Services and Agriculture. The biggest increase was for Education to which almost four times as much was allocated in 1930–31 as five years earlier. As pointed out earlier, this expansion, which was encouraged by the P.M.C., had to be severely checked when the effect of the slump made itself felt. Even in 1937, when recovery had gone a long way, expenditure on Education—£92,313—was considerably lower than in 1930–31, and had decreased from 6.56 to 4.25 of total expenditure.[2]

The appropriations for Medical Services and for the Department of Lands and Mines respectively were likewise in 1937 below those in 1930–31, while the amount spent on Agriculture was only a little higher.

Speaking generally, it may be said that the mandatory Government, after a policy of vigorous expansion in the social services during the first ten years, has adopted a more cautious financial policy since the economic depression, mindful of the lesson that the development of the productive capacity of a country must coincide with, or even precede, social betterment. The sums allocated to economic purposes not only from the proceeds of loans, but also from current revenue, were considerable. A rough calculation for 1937 leads, for instance, to the result that £670,000 or about 35 per cent. of total ordinary expenditure were allocated to economic development, betterment, or upkeep, excluding £57,497 which were obtained from the Colonial Development Fund and spent on similar objects. In addition, deficits on the railway account totalling £743,000 between 1923–24 and 1938 had to be met from General Revenue; in only seven out of sixteen years has the Railway budget closed with a surplus.

(*b*) *Subventions*

The item appearing under the heading 'Subventions' in the budget, though not big, is of particular interest, since it helps to throw light on some of the financial relations of the mandated territory with the mandatory and its other dependencies.

The extent to which contributions by a mandated territory to outside bodies, particularly bodies situated in the mandatory country, are compatible with the stipulations of the mandates, was repeatedly discussed by the P.M.C. The issue was first raised in connection with the liberal allocations made to institutions in

[1] *loc. cit.*, p. 34. The increase in expenditure refers to both ordinary and extraordinary expenditure.

[2] Annual Report for 1938, Colonial No. 165, pp. 43–44.

France in the budgets of the two French African mandated territories; the usefulness of some of these institutions to the territories seemed, in the opinion of the Commission, to be rather remote.[1]

Neither in the budgets of Tanganyika nor in those of the two West African territories under British mandate have subventions ever figured so largely as to arouse serious criticism, with one exception, to be mentioned presently.

In the Tanganyika budget for 1937, £33,023 was allocated to 'subventions'. On closer examination, however, some of the items under this heading cannot strictly be termed subventions. Thus £7,096 and £764 assigned to the Sisal and Coffee Tax Boards respectively are actually cross-entries, representing the sums levied on both industries by a special tax and allocated to the respective bodies set up to carry out research with a view to improving methods of production and marketing.

The remaining £23,612 was divided almost equally between certain services and institutions worked jointly by several African countries, and institutions of a wider imperial character.[2] The most important item in the first category is the East African Research Station at Amani, situated in Tanganyika, but used and financed by several East African countries; Tanganyika's share of the cost of maintenance of this valuable institution was £6,252. Another joint East African service is the East African Meteorological Service which received £3,518 from Tanganyika in 1937.

Subventions to imperial institutions and services amounted to £11,616; they included contributions to the Imperial Bureau of Entomology and Mycology, the Imperial College of Tropical Agriculture in Trinidad, the Imperial Forestry Institute and various other scientific institutions. In almost all these cases, the direct advantage to the mandated territory is obvious, and the justification for the contributions can hardly be questioned, especially as they are not high.[3] By far the biggest subsidy to an

[1] In order to give some impression of the number and amount of these subsidies, the full list from the Report of the French Cameroons for 1931 is appended to this chapter. The payments imposed on French Togoland were even more considerable in view of the smaller resources of that country. When, in 1933, M. Rappard criticized the list 'as hardly justified at a time of economic depression', the representative of the French Government, M. Besson, 'expressed his sincere appreciation of M. Rappard's observations. For his own part, he had continually protested to the competent authorities at the granting of these subsidies for the home country, and he would quote M. Rappard in his attempt to secure a further decrease.' P.M.C. 26th Session, p. 75.

[2] It is, however, not clear in all cases whether the subsidized institution is of an imperial character or confined to East Africa.

[3] A certain multiplication of institutions serving more or less the same object appears, however, in the list of Imperial Agricultural Institutions receiving subsidies from the territory's funds. The relevant items in 1937 were:—

Colonial Agricultural Service Fund	£250
Imperial College of Tropical Agriculture in Trinidad ...	£250
Imperial Agricultural Bureau	£250

Imperial institution was a contribution of £8,795 to the Empire Air Mail Service between London and Capetown.

From 1930 to 1936, the annual payment was £10,000—on the basis of a contract concluded by the Government of Tanganyika, with the approval of the Imperial Government, with Imperial Airways. This item alone met with serious criticism from various quarters.

Thus Sir Sidney Armitage-Smith in his Report[1] called attention 'to the substantial sum contributed by the Tanganyika Government to the Imperial Airways, Ltd., in pursuance of an Agreement dated 22nd October, 1930, made between the President of the Air Council and the Company.' This contribution seemed to him disproportionately high, particularly since Tanganyika did not obtain free air mail services in exchange.

In the House of Commons, Sir Edward Grigg, a former Governor of Kenya, protested against the size of the subsidy which the East African territories were made to pay under the Agreement. He pointed out that 'far more African taxpayers than white taxpayers are affected by this subsidy', and described the proportion in which it was divided between Great Britain, the Union of South Africa and five East African territories as 'an exploitation of the African taxpayer for the benefit of the taxpayer here.'[2]

The matter was further taken up by Professor Coupland, who made it the subject of more searching criticism, based on fundamental principles of colonial administration, in an article published in *The Round Table*.[3] He emphasized the marked disproportion between a payment, for example, by Tanganyika, of one two-hundredth of its revenue and a payment by Great Britain of less than one seven-thousandth and rejected 'the dangerous new doctrine which tends to regard colonial territories less as a class in themselves and more as an integral part of the Empire, and to identify their interests more closely with those of the Empire as a whole.' He declared as incompatible with the principle of native trusteeship a policy which imposes measures like the Ottawa principles, the import quotas and surtaxes on certain goods from Japan, and the contributions to the Empire Mail Service in countries whose system of government precludes the

[1] *loc. cit.*, p. 68.

[2] *Hansard*, 19th March, 1934, pp. 928–930. According to Sir Edward Grigg 'five small African colonies (viz., Kenya, Uganda, Tanganyika, Nyasaland and Northern Rhodesia) had to pay £52,000, as against £94,000 contributed by the Union, and £100,000 by Great Britain. Actually Sir Edward did not advocate a reduction of the contribution of the five colonial territories, but an increase in the British share with a view to providing a more frequent and faster service.

[3] *The Round Table*, September, 1934, pp. 732 seq. The article was included later in this author's book, *The Empire in these Days*, Macmillan, 1935.

people from having a decisive voice in accepting or rejecting such measures.

The Government of Tanganyika itself stated in 1933:[1] 'The subsidy of £10,000 per annum payable to Imperial Airways is a heavy burden on the Territory's diminished resources, but in view of the terms of the contract it is not possible to reduce them.'

In view of this outspoken criticism from various British quarters, it is surprising to find how little attention was paid to the matter by the P.M.C. The Commission's main concern was whether the costs of ground organization and wireless stations were included in the annual contribution of £10,000 paid by the territory to Imperial Airways.[2] The reply was that wireless stations had been erected by means of free grants from the Colonial Development Fund, while the expenditure on landing grounds—apart from certain improvements to aerodromes, the costs of which were borne by the United Kingdom—had to be met by Tanganyika, in addition to the annual contribution of £10,000. This reply seemed to satisfy the Commission. The fact that the upkeep of aerodromes and of wireless stations had to be met by the mandated territory out of current revenue, did not provoke any comment. According to the Administration,[3] however, two of the three wireless stations in the territory were erected and maintained chiefly for use in connection with the Imperial Airways Mail Service between London and Capetown.

Following on a suggestion by Sir Sidney Armitage-Smith, the maintenance and operation of these stations were transferred to Imperial Airways. Furthermore, the annual contribution of Tanganyika to the Empire Air Mail Service was reduced to £7,500 in 1936 and to £6,000 in subsequent years. Altogether, Tanganyika spent £16,727,[4] or somewhat under 1 per cent. of current revenue, on Air Services in 1937. This amount can hardly be called excessive; it is both proportionally and actually less than was spent on the same item in the years of the economic depression when expenditure on more vital objects had to be severely curtailed.

The whole matter strikingly demonstrates the important function which vigilant and well-informed criticism from official and non-official quarters in the mandatory country fulfils in safeguarding the interests of mandated territories no less than those of the colonies. It shows, moreover, that the usefulness of these

[1] Sessional Paper No. 8, published as Appendix IV to the Annual Report for 1933, Colonial No. 93.

[2] P.M.C. 22nd Session, 1932, pp. 152–153.

[3] Colonial No. 71, p. 108.

[4] Exclusive of £10,685 advanced on behalf of the British Air Ministry.

agents of national public opinion has in no way been superseded by international supervision.[1]

(*c*) *Problems arising from the Allocation of Expenditure to different Racial Communities*

To ascertain the degree to which the various racial communities benefit from public expenditure is even more difficult than to discern their respective contributions to revenue. The few attempts which have been made, such as that by Lord Moyne in his 'Report on Certain Questions in Kenya'[2] or that by the South African Native Economic Commission of 1930–1932,[3] have clearly shown so large a proportion of total expenditure to be 'indivisible', as to make the result of questionable value. This is even more so in a country which has not like Kenya or the Union special 'native services.'

It is even more difficult to say what should be the contribution to revenue of each community considering the benefit it draws, or is supposed to draw, from public expenditure. Reasoning which maintains that such a division is feasible overlooks the fact that the economic interest of the different racial communities is inter-dependent. To quote Lord Moyne: 'Well-considered measures, for instance, to save agriculture from disaster, even though they may be directly for the benefit of a section of producers, may be fully justified in the general interest.'[4]

It has to be borne in mind, moreover, that inequalities in taxation and in the distribution of benefits are not the only methods of favouring one section of the community at the expense of another. There are less obvious, but equally effective devices, such as the differentiation of railway rates, the framing of the customs tariff, or preferential treatment in the allocation of export quotas where production for sale is controlled.[5]

It is, however, evident that the presence of one or more non-African communities, whose standard of civilization is substantially higher than that of the bulk of the African population, must add not inconsiderably to the cost of certain administrative services. Nor can the necessity for the provision of these services be denied. The subject is controversial only in respect of expenditure made explicitly and exclusively for the benefit of non-African

[1] It is only fair to admit, however, that the reduction of the excessive contributions to institutions in France imposed on the French mandated territories was predominantly due to the persistent representations of the P.M.C.

[2] pp. 24. and 84.

[3] Union of South Africa. Report of Native Economic Commission, 1930–1932. U.G. 22, 1932, pp. 157–169.

[4] *loc. cit.*, p. 27.

[5] This applies, for instance, to the allocation in Northern Rhodesia of the export quota for maize which decidedly favours European maize-growers as against native producers. See Sir Alan Pim's *Report on the Financial and Economic Position of Northern Rhodesia.* Colonial No. 145, 1938, p. 227.

communities. This may take the form either of direct subsidies to sections or individuals or of financing from general revenue services and institutions destined for the exclusive use or benefit of such sections. The question has arisen mainly in respect of assistance accorded to non-native—especially European—agriculture and education.

Thus the large subsidies which were granted by the Kenya Government to European farmers during the economic depression of 1930–33 have been criticized in some quarters as an unfair discrimination against non-Europeans who did not receive such assistance.[1] Kenya, as well as several other territories, has, moreover, established facilities by which European farmers can obtain credit under favourable conditions. Sums devoted to agricultural research in the colony were, it was alleged, spent largely on work which is of greater value to European agriculturists than to African peasants. In Lord Moyne's view the balance should be redressed by initiating research on problems affecting native agriculture, by setting up Training Schools in the Reserves and by various other measures.[2]

In Tanganyika, where the number of European planters and farmers is smaller than in Kenya, the situation would have been different even if the mandate had not excluded open preferential treatment of immigrant communities. It is not always easy, however, to draw the line beyond which expenditure which of necessity benefits mainly or exclusively one racial community, or a section thereof, transgresses the limit established by the mandate.

However this may be, no subsidies, either direct or indirect, have been paid to European or other non-African agriculturists in Tanganyika at any time under the mandate. Nor has a Land Bank been established with capital provided by the Government with a view to making long term credit available to European farmers as in Kenya.[3]

It may even be questioned whether this lack of initiative on the part of the Administration, undoubtedly prompted by the desire to conform to the stipulations of the mandate, was altogether in the best interest of the country. The fact that under present conditions only the members of one community benefit from a service or institution should not preclude its installation if it is otherwise considered desirable. In view of the different stages of

[1] According to Lord Moyne, *loc. cit.*, p. 28, who does not, however, share this view. See also Sir Alan Pim's *Report on the Financial Position and System of Taxation of Kenya*. Colonial No. 116, 1936, p. 26.

[2] *loc. cit.*, pp. 34 and 61.

[3] The Kenya Land Bank does not restrict statutorily its activities to European farmers, but they alone are in a stage of development enabling them to avail themselves of the facilities offered. The same is the case with a similar institution which has been established in the French Cameroons.

development of the African and non-African communities, the provision of credit facilities for the more advanced agricultural community appears no less justified than the assistance rendered to Europeans and Asians by the Government in establishing and maintaining schools corresponding to their level of civilization. It may well be that the finance of European settlement and agricultural enterprise in Tanganyika would not have become, to the same degree, a weapon in the furtherance of political aspirations and intrigues, if the mandatory Government had been more willing to assist European farmers, irrespective of nationality, by providing them with credit facilities.

The reproach that agricultural research is biased in favour of European agriculture would find no justification in Tanganyika. Research on the two major European crops, sisal and coffee, is largely financed from a cess levied on the industries themselves. It hardly needs emphasizing that a large part of the scientific research carried out at Amani and other places benefits farmers and husbandmen without regard to their racial affinity; nor is the improvement of European plantations and the introduction of new 'non-African' crops without benefit to the African population.

The question of educational grants to the various non-African communities raises greater difficulties. It is complicated not only by the co-existence in the territory of several non-African communities, but even more by the large number of European nationalities represented. In 1938, the European section of the population was made up of no fewer than twenty-one different nationalities, but children of school age, who were scattered all over the country, belonged to ten nationalities only. To these must be added Indian, Goan, and Arab communities, likewise requiring schools for their children.

There is no problem from the point of view of public finance, if the respective communities are able, and show enough initiative, to provide their own schools, with the aid perhaps of missions, or if, in the case of European communities, their members are all so well off that they can afford to send their children to schools in Europe. If these conditions are absent, it is obviously a concern of the Government to see to it that the children of settled communities are assured of an adequate education which will enable them to contribute later to the territory's administration and development.

The way the problem has been dealt with in Tanganyika is of particular interest, because it is one of the few questions in which the direct influence of the P.M.C. has manifested itself.

In the early years of the mandate the only educational provision available to European children in the territory consisted of three

schools for the children of South African Dutch settlers in the Northern Province; they received grants from the Government amounting at first to £100, but rising later to £900 per annum. The education of European children in general began to engage the more serious attention of the Administration only in 1925, but even then most European children were sent either overseas or to Kenya for their education. In 1928, the Government took over a small Junior School in Dar es Salaam established by private effort.

Government grants were paid, moreover, to a convent school for Goanese children established by the Capucin Fathers, but attended by children of various nationalities, and to a Junior School at Tanga. In all these schools English was the medium of instruction. Several schools set up by the Indian community likewise received financial assistance from the Government.

The German community, which re-established itself soon after the country had been thrown open to German nationals in 1925, started several schools in the principal areas of settlement. These schools were assisted financially by the German Colonial Women's League (*Kolonialer Frauenbund*), but not by the Government of Tanganyika. However, when in 1930 a non-Native Education Tax, levied on all non-African adult males, was introduced, the German community demanded grants for their schools from the proceeds of this tax. The request, which was refused by the Government, was made the subject of enquiries and representations in the P.M.C. by Dr. Ruppel, the German member.[1] In two consecutive years, he made a vigorous plea that German schools should not have worse treatment than the schools of the South African Dutch minority. The representative of the mandatory Power, Mr. Jardine, retorted that 'the Government would only subsidize those schools whose general scheme of education led up to a State general school where the medium would be the official language, namely English.'[2]

In the following year, Ruppel declared these conditions to be unacceptable to the non-British communities. 'In his opinion it was the duty of the mandatory Government, which imposed a special Education Tax on all non-natives, to give to all the different national communities assistance for the maintenance of their schools without such conditions.'[3]

No doubt, it was mainly due to these representations that in 1931 the Government of Tanganyika decided to give educational grants to certain schools of the German and the Greek communities, the two largest European communities next to the

[1] P.M.C. 18th and 21st Sessions, 1930 and 1931, pp. 37 and 38 resp.
[2] P.M.C. 18th Session, 1930, p. 38.
[3] P.M.C. 21st Session, 1931, p. 38.

British. The condition that English should be the general medium of instruction in the higher forms was dropped, the Government contenting itself with English being taught as a principal subject.

In 1938, four German schools attended by approximately 160 children received Government grants to the amount of £1,535. The curriculum of these schools was that of similar schools in Germany with a view to preparing children for schools in that country where they could take the examination qualifying for entrance into a German University.

The same course is followed by the South African Dutch schools from which some of the pupils proceed to schools and colleges in the Union, some with bursaries from the Tanganyika Government.

Altogether £35,213 was spent on the education of European children in 1938.[1] Of this amount £23,898 was raised by private agencies in addition to £5,654 which was received in fees by private schools. The Government spent £6,253 (minus £2,010 received in fees) on schools for which it is directly responsible and paid £5,062 as grants-in-aid to private schools. The Government's net contribution to the cost of European education was thus £9,305 or, with 916 children in Government and State-aided schools, somewhat over £10 per pupil. This sum, though perhaps not excessive in view of the European contribution to the country's revenue and development, clearly indicates that the system of education for European children is conceived on fairly expensive lines, mainly as a result of the great number of schools which have been established for the widely scattered European population.

In addition to three Government schools for Indian children, fifty-three Indian schools received Government grants to the amount of £5,363 in 1938.[2]

The whole matter of Government assistance for non-African education is important, not so much because of the public expenditure involved as by reason of its significance in relation to the Mandates System.

The great number of nationalities among the non-African population, which is encouraged by the mandate, undoubtedly creates a difficult educational and administrative problem as soon as the Administration assumes some degree of responsibility for the education of non-African children. It may be that with a narrow interpretation of the term 'equal economic treatment' the mandatory Government is under no legal obligation to treat the schools of all national communities alike. Nevertheless, to deny

[1] Report for 1938, Colonial No. 165, pp. 131–132.
[2] *Ibid.*, p. 129.

help to schools of foreign nationality would be difficult to reconcile with the spirit of the mandate, when such help is given to schools established and operated by nationals of the ruling Power.

In putting forward the claim of the German community, Dr. Ruppel, though undoubtedly in the first place prompted by the desire to assist the schools of his own nationality, has helped to vindicate a principle implicit in the mandate. However, to concede the principle that schools of any nationality, so far as they come up to a certain educational standard, should be treated on an equal basis, may create or aggravate a difficult situation.

The difficulties are not only administrative and financial, but also political. They have been clearly defined in the 'Memorandum on Education' published by the Administration in 1935. 'One of the outstanding features of the position, as it has developed in recent years, is the determination of parents to place their children in schools in their own locality, as far as possible, and in schools staffed and conducted under conditions resembling those to which they have been accustomed in their home country, the avowed intention in many cases being that their children will subsequently attend schools in their own country in Europe, and must, therefore, receive the appropriate preliminary education locally.'[1]

No one will contest the aspirations described in this passage, so long as their object is no other than to secure to the children of the various white communities the possibility of acquiring later an education superior to that which they can obtain in the territory; nor will a preference for the type of education provided by the schools of the parents' home country be considered unnatural. The whole matter assumes, however, a different aspect if the educational object recedes behind political aspirations hardly compatible with the atmosphere of international goodwill which the Mandates System is designed to foster.[2]

Moreover, however highly one is inclined to value the open door for settlers and other nationals from different countries, the question cannot be suppressed whether the best interest of the country and its native inhabitants is served by a state of affairs which threatens to introduce the national rivalries of another continent into the mandated territory.

[1] Colonial No. 105, Appendix V, p. 167.

[2] The character of such aspirations is shown by the following quotation from an officially approved German publication: 'Vor allem aber müssen sie (viz. the German children in Tanganyika) in den seelischen und geistigen Inhalt des neuen Deutschtums des dritten Reichs gründlich eingeführt werden, denn das Vorhandensein der Hitlerjugend an den deutschen Schulen in Ostafrika allein genügt dafür nicht.' Arning, *loc. cit.*, p. 171.

CAMEROUN FRANÇAIS
Rapport pour 1931, p. 11.

Subventions allouées pour l'année 1931.	*Francs.*
Laboratoire des matières premières d'origine végétale (Hautes Etudes)	3,000
Chaire d'Histoire des Colonies Françaises (Collège de France)	4,000
Chaire de Protohistologie pathologique (Collège de France)	1,000
Chaire de Géographie coloniale (Sorbonne) ...	1,500
Cours de Botanique coloniale	1,500
Institut de Médecine coloniale de Paris	5,000
,, de Médecine coloniale de Marseille	1,000
,, d'Ethnologie de l'Université de Paris ...	5,000
,, colonial de Nancy	1,000
,, ,, ,, Bordeaux	3,000
,, ,, ,, Marseille	1,500
,, ,, du Havre	1,000
,, ,, français	6,000
,, ,, international de Bruxelles	2,000
,, International des Langues et Civilisations Africaines	2,000
Ecole d'Application du Service de Santé des Troupes coloniales de Marseille	500
,, de Pratique coloniale du Havre	3,500
,, de Législation professionnelle et de Pratique coloniale	1,000
,, des Langues Orientales vivantes	7,000
Musée d'Ethnographie du Trocadéro	5,000
Société française d'Ethnographie	250
,, de Géologie de France	300
,, d'Histoire des Colonies	4,000
Comité d'encouragement aux récherches scientifiques coloniales	1,500
Comité français de l'Association internationale d'Agriculture Scientifique des pays chauds	1,300
Association Colonies—Sciences	2,500
Académie des Sciences Coloniales	9,500
Annales de Pharmacie et de Médecine coloniale ...	1,000
Recueil de Jurisprudence Sirey	500
Receuil de législation de doctrine et de jurisprudence coloniale	1,000
	77,350

	Francs.
Brought forward	77,350
Association technique, maritime et aéronautique ...	500
,, ,, et maritime	500
,, des anciens Elèves de l'Ecole coloniale	400
,, ,, Ecrivains anciens combattants ...	6,000
Centres d'hébergement des Militaires Indigènes coloniaux	5,000
Comité national de la Semaine coloniale	2,000
,, de l'Afrique Française	2,600
Fédération des Fonctionnaires coloniaux	1,000
,, Française des anciens coloniaux ...	1,000
Ligue Maritime et Coloniale	1,000
Société de Géographie, Av. d'Jéna (Paris) ...	2,000
,, ,, ,, de Marseille	1,000
Union Française de la Jeunesse	2,000
Ecole de pêcherie a Malimba (Edéa)	18,000
	120,350

In addition, 'subventions locales' amounting to 113,000 francs were provided in the budget.

CHAPTER XII

THE SUPPLY AND INVESTMENT OF CAPITAL

1. PUBLIC LOANS AND GRANTS

(a) *The Situation in Tanganyika*

THE opening up of a colonial territory, as distinct from the establishment of mere trading stations on the coast, involves a considerable capital outlay. This capital has to come from abroad, and will in most cases be supplied by the governing country. In the last century, and in some territories up to the war of 1914 to 1918, even essential development work—for instance, the construction of railways—was left to the initiative and resources of private enterprise. In recent time, however, Governments have made themselves more and more responsible for providing those services which may be considered as the basic economic equipment of a country—communications, water supply, agricultural research, etc.

The actual utilization of the territories' resources, on the other hand, has been left either to non-African private enterprise or to the economic activities of the natives under the guidance of administrative and agricultural officers.

If the development of a colonial country in general, and the improvement of the material and cultural conditions of its native population in particular, have come to be recognized as a major duty of the colonial Power, it goes without saying that the provision of the necessary capital, especially where there is little promise of speedy return, is incumbent upon the country which has assumed responsibility for such a territory.

A question of outstanding importance from the point of view of the present investigation is not only to what extent the mandatory Power has fulfilled this obligation, but also how the fact of the mandate has affected the supply of capital—public as well as private—to the mandated territory.

German East Africa contracted, up to 1914, loans to the amount of 172,200,000 marks, the interest on which—as on all the German colonial loans—was guaranteed by the Reich. By far the greatest part of this debt was incurred between 1910 and 1914; during this period annual debt charges rose from 858,000 marks to 6,365,000 marks, and in the estimates for 1914, the service of the debt claimed 32 per cent. of the ordinary revenue derived from the colony's own resources.[1]

[1] *Vierteljahrshefte zur Statistik des Deutschen Reichs*, *loc. cit.*, p. 233.

Since, as far as the territory was concerned, the whole of the public debt was wiped out by the Peace Treaty, while the assets—mainly in the form of railways—remained, the financial situation, both in respect of the balancing of the budget and the issue of new loans, might appear, on a superficial view, as particularly favourable on the initiation of the mandate. It soon became evident, however, that these advantages were more than offset by two adverse factors: first, the destruction and ravages caused by four years of warfare and the absence of any new productive investments between 1914 and 1919; and, secondly, the doubtful position, as creditors, of the former German colonies in consequence of their status as mandated territories.

According to the East Africa Commission, 'no part of Africa suffered more severely from the ravages of the Great War than the Colony of German East Africa. Fighting took place more or less continuously over the greater part of the territory for over four years, and the loss of life, especially among the native population, and the destruction and decay of property, were severe.'[1]

The desolate state into which the economic life of large parts of the territory had been thrown by the war, made it necessary for the mandatory Power to come to the aid of Tanganyika during the first years of the mandate. This was done by non-recoverable grants and by loans from the Imperial Exchequer. Grants were given to the amount of £408,109; Exchequer loans totalled £3,135,446. £1,075,508 of the latter sum was given as a 'Deficits and War Damage Loan' and no interest or sinking fund charges have been paid on it so far; the issue has, however, not yet been finally settled. In view of the objects for which the loan was given, it would not appear as over-generous if the sum were declared a free grant, a view which was vigorously expressed by the East Africa Commission in 1925.[2] The greater portion of the Exchequer loans amounting to £2,045,523 was granted for what might be considered productive objects. On this portion of the debt. interest and sinking fund charges are paid annually to the amount of £123,447.

There arose an issue of more fundamental importance than the provision of capital for immediate post-war reconstruction when it was found necessary, in 1926, to raise money for economic development on the market. The novelty of the Mandates System, the lack of experience as to its implications and, even more, doubts about the permanence of British rule had, in the view of the East Africa Commission, 'undoubtedly a prejudicial effect on the investment of capital and the undertaking of commercial enterprise.'[3]

Public works which were essential for the development of the

[1] Cmd. 2387, 1925, p. 113. [2] *loc. cit.*, p. 127. [3] *loc. cit.*, p. 115.

territory's resources were to a certain extent financed from budgetary surpluses from 1925–26 to 1931. This policy, which prevented the Administration from accumulating an adequate Reserve Fund, came to an abrupt end on the onslaught of the economic depression, when the surplus balance was turned into a deficit on both general and railway account. £500,000 had to be refunded to revenue account from the proceeds of a loan authorized for this purpose in 1932.[1]

Even before the raising of this relatively small loan two bigger loans amounting to £2,070,000 and £3,000,000 had been issued. Like the loan of 1932, they carried the guarantee of the Imperial Government with regard to principal and interest and represent the share of Tanganyika of the loans authorized by the Palestine and East Africa Loans Act of 1926. The latter provided for the raising of capital by loan to a maximum amount of £10,000,000, this total being divided between Palestine and several British East African Territories. In the parliamentary debates on the Bill, the spokesman of the Government explained that it was considered necessary to attach the guarantee of the Imperial Government to the loans, because most of the participating countries were excluded from the advantages conferred by the Colonial Stock Acts on the loans of the Dominions and Colonies.[2]

These advantages cannot be stated in figures, but it is generally agreed that they are considerable. The privilege conferred by the Colonial Stock Act of 1900 on British colonies of registering their stocks as trustee securities in Great Britain has enabled these territories, as well as the present Dominions, to obtain money at a much lower price than would have been possible on their own credit only.[3]

Under the Colonial Development Act of 1929, Section 3, the provisions of the Colonial Stock Acts may be extended to protectorates and mandated territories; subsequently, the Acts were applied to Uganda and Northern Rhodesia and the Federated Malay States. No use has been made, however, of the authorization to include mandated territories, and the three Tanganyika loans raised on the market were, therefore, offered

[1] The total amount authorized by the Loans Act of 1932 was £750,000. See *Tanganyika and British Honduras Loans. Memorandum explaining Financial Resolution.* Cmd. 4032, 1932.

[2] Of the territories which were entitled to issue loans under the Palestine and East Africa Loans Act, only Kenya, being a colony, could then avail itself of the Colonial Stock Acts, and was, therefore, able to raise loans in the open market; actually the Government of Kenya chose this latter course, and the sums allocated to Kenya under the Palestine and East Africa Loans Act became available to the other East African territories.

[3] In January, 1936, Dominion and Colonial securities of a nominal value of £858 million were registered under the Colonial Stock Acts. See *The British Empire* by a Study Group of the Royal Institute of International Affairs, 2nd Ed., Oxford University Press, 1938, pp. 290 seq.

to the public with the Imperial guarantee attached. Nearly 60 per cent. of the capital raised by these loans has been spent on railway construction, the rest on other development works.

The third category of loans (and grants) was made under the Colonial Development Act which applied to mandated territories in the same way as to other British dependencies.[1]

Allocations were made exclusively on the merit of the schemes put forward by various colonial Governments, and there is no indication that considerations unfavourable to the mandated territories have influenced either the recommendations of the Advisory Committee or the decisions of the British Treasury.

The objects which the Colonial Development Fund was designed to further were 'the aiding and developing of agriculture and industry of the respective territories, and the promotion thereby of commerce with the industry in the United Kingdom.'

In addition to grants for works of development and improvement, assistance might be accorded to a colonial Government towards the interest of any loan raised after 26th July, 1926, for a purpose for which an advance might have been made under the Colonial Development Act. The interest on the loans issued under the Palestine and East Africa Loans Act of 1926 was explicitly included in this provision.

The total amount of assistance to Tanganyika approved up to 31st March, 1939, was £836,783; of this sum £95,683 was given by way of loans, £741,100 by way of free grants. This is the largest sum allotted to any East African country from the C.D.F., although the amount of assistance, calculated per head of the population, works out at a somewhat higher figure for Nyasaland and Northern Rhodesia.[2]

A great variety of development and research schemes have been assisted from the Fund in Tanganyika, the most important being aerial, geological and topographical survey work, anti-soil erosion measures, water boring, as well as malaria, sleeping sickness, and tsetse research. Native as well as non-African agriculture has profited from grants towards research into improved methods of growing, preparing and marketing coffee, sisal and tea.

For the Tsetse Research Department in Tanganyika, which has developed into the central organization for this kind of research in British African territories, a free grant of £207,974, to be spread over a period of seven years, was recommended by the C.D.A.C. in 1938. The importance of this work for the mandated territory—and for other African territories—has been impressively described in the Committee's Report for 1938: 'Two-thirds of the total

[1] See Colonial Development Advisory Committee (C.D.A.C.) 1st Interim Report, 1930, Cmd. 3540.

[2] C.D.A.C. 10th Report, Cmd. 6062, p. 43.

area of Tanganyika are still infested with fly, and the remaining third is threatened with rapid infestation. Huge areas in other African dependencies are similarly infested, e.g., Nigeria, where the disease has assumed alarming proportions.' As a consequence, 'pressure of human beings and stock on the fly-free areas constantly increases and brings with it the attendant dangers of overgrazing and consequent soil-erosion.'[1]

Some of the grants were undoubtedly made with a view to the key position of Tanganyika in Central East Africa which makes the country an important link in the Empire Air Route from Cairo to the Cape. In addition, as just mentioned, some of the research schemes, though of major importance for Tanganyika, are being endowed and carried on with a view also to a wider utilization of their results in other British dependencies. On the other hand, Tanganyika profits from similar work carried out in other parts of the Empire.

In summing up the situation with regard to the Public Debt of Tanganyika at the end of 1938, the chief facts may be stated as follows:

The debt amounted to £8,757,879, or £1 13*s*. 9*d*. per head of the population. The charge on this debt was £436,477, or approximately 20 per cent. of both ordinary public expenditure and ordinary revenue.[2] This is a fairly high figure for a poor country, particularly since favourable returns from the railways, for which most of the debt was incurred, can be expected only in prosperous years, and since further rises in the annual debt charge will occur as sinking fund payments and refunds to the C.D.F. fall due.

The Public Debt of almost nine million pounds consists of three groups of loans, supplied by different creditors and contracted for different objects.

(1) Loans from Imperial Funds, £3,121,031. This sum represents Treasury Loans amounting originally to £3,135,446. The loans were made for capital works in the first years of the mandate, when appeal to the open market was considered inexpedient, and further as a 'Deficits and War Damage Loan'.

(2) Three loans issued to the public with the guarantee of the Imperial Government, viz.,

(a) Two loans issued under the Palestine and East Africa Loans Act of 1926, in 1928 and 1931 respectively, amounting to £2,070,000 and £3,000,000. The proceeds of these loans were mostly spent on railway construction.

[1] C.D.A.C. 9th Report, Cmd. 5789, p. 10.

[2] Report on Accounts and Finance for 1938, p. 34. Actually only £145,451 was met froml general revenue, whilst £296,353 was reimbursed by the railways. The latter received £74,629, on the other hand, from the general budget under various headings.

(b) The third guaranteed loan of £500,000 was issued under the Tanganyika and British Honduras Loans Act of 1932 for the purpose of refunding to surplus balances sums which had been spent from current revenue on capital works up to 1930–31.

(c) Loans granted from the C.D.F. They amounted to £56,654 at the end of 1938.[1]

Finally, £10,194 was advanced by the British Air Ministry in 1938; this sum was apportioned to the territory as its share of the estimated capital expenditure on the Empire Air Mail Scheme.

The three different categories of loans were responsible for the following percentages of the territory's total debt:

	Per cent.
(1) Imperial Treasury	35
(2) Public Guaranteed	64
(3) C.D.F. and Air Ministry ...	1

The total debt of £8,800,000 equals, nominally, almost exactly the debt of the German colony in 1914. The annual debt charges were, however, considerably lower in German East Africa, viz., £317,500. The higher charge on the post-war debt—£436,000—is partly due to sinking fund payments, and partly to a somewhat higher rate of interest.

In both periods the major portion of the capital raised by loan was spent on railway construction. Altogether 350 miles of railways were added to the 996 miles in operation when the mandate was established. The cost of construction was considerably higher in the mandatory period, amounting to £13,142 per mile, as compared with an average of £4,809 per mile pre-war cost.

The main reason for this difference in costs of construction is undoubtedly the higher level of prices prevailing in the nineteen-twenties when most of the post-war extensions were built. It is difficult to ascertain whether differences in the organization of the work—the German Central line was built by a company—were an accessory factor.

The high debt charges of Tanganyika have been criticized by Sir Sidney Armitage-Smith, and also repeatedly by members of the P.M.C. The critics had to admit, however, that they were mainly due to the fact that the greater portion of the loans was issued in a period of high interest and without provision for con-

[1] Up to 31st March, 1939, loans to the amount of £95,683 had been approved by the C.D.A.C.

version. The criticism was thus made at a time when it was difficult to apply a remedy, whilst the P.M.C. had raised no objections to the terms of the loans when they were issued.

Nor have all the investments made by means of these and some of the C.D.F. loans proved successful. The Manyoni-Kinyangiri Branch of the Central Railway, which was built at a cost of £539,000 and with an interest grant from the C.D.F. of £30,000, did not nearly fulfil the expectations in respect of economic development which had led to its construction, and, according to a memorandum by the Administration, 'it is probable that in the light of the experience gained, no similar project would in similar conditions be recommended for the grant of funds from the C.D.F.'[1]

Another loan, invested in a scheme which later proved unsuccessful, was £16,000 lent by the C.D.F. for the equipment of Meat Rations, Ltd., an undertaking established by the Government with a view to buying stock and thus relieving overstocking in native areas; the meat was to be canned and the by-products utilized in manufacturing processes. As mentioned in another connection, the undertaking turned out a failure, and the assets of the company had to be sold in order to repay the loan.[2]

(*b*). *General Conclusions and the Attitude of the P.M.C. to the Raising of Loans by Mandated Territories*

There is hardly a chapter in the history of mandatory administration which demonstrates so clearly how power and responsibility are distributed under the Mandates System as that of public financial policy, in general, and of the position in relation to the public debt, in particular.

The fact that, according to Article 22 of the Covenant, the mandatories have been chosen, in the first place, by reason of their resources and experience, points clearly to the mandatory Government as responsible for financing development and improvement. The question of international, or internationally guaranteed, loans appears never to have been considered by any of the organs of the League concerned with the operation of the Mandates System. This is the more surprising, since the granting of loans to various countries for reconstruction purposes has been one of the comparatively successful activities of the League. The fact that, in the case of the mandated territories, the provision of the necessary guarantees has been left to the mandatory Powers is a striking proof that the Mandates System was not meant by its originators as an approach to international administration.

[1] Annual Report for 1936. Colonial No. 128, p. 179.

[2] According to the Treasurer's Report for 1935. In 1938, however, repayment had apparently not yet been effected.

As a result, mandated territories are linked financially to the mandatory Power at least as closely as colonies. It may even be maintained that the financial dependence on the governing Power is greater in the case of a mandatory territory, because it cannot appeal to the capital market without a special guarantee of the mandatory Power. Moreover, if the allegation can be proved true that private capital has been hesitant in taking up investment in mandated territories, these territories depend to an ever higher degree on direct financial help from the governing Power than colonies.

Though it is impossible to ascertain whether any particular stipulation in the mandates has been an obstacle to raising money for the development of the territories, uncertainty about the implications of the Mandates System, and doubts as to its permanence, have undeniably created initial difficulties.

The discussions of the P.M.C. on the matter reflect this uncertainty, and although they elicited from the League Council a resolution designed to destroy any doubt as to the future validity of claims against mandated territories, they have in other respects impeded rather than assisted the raising of loans by, or for the benefit of, the territories.

When in 1922 the French Government made known its intention to raise loans carrying the guarantee of the French State on behalf of the two African territories under French mandate, some members of the P.M.C. expressed serious apprehension lest such a guarantee should give to the mandatory Power a firmer hold on the assets of the territories than seemed compatible with their international position. It was feared, moreover, that a transaction of this kind would render difficult a transfer of the mandates to another Power, should this ever be contemplated. The discussion was complicated by the assumption that the mandatory Power would secure its rights by a mortgage on particular assets, such as railways. Actually, the French Government had proposed to earmark the customs revenue of the two territories for the service of the loan, but not to mortgage any particular property as security.[1]

According to the Chairman of the Commission, 'this policy raised a grave question of principle. It might be asked how the service of the loan would be assured in the event of the customs dues of the territory being insufficient, and how the interests of the French taxpayer would be reconciled with the principles of mandates.'

The rather lengthy debates centred round the general question how the capital necessary for development might be secured to the mandated territories without imperilling their present and

[1] P.M.C. 3rd session, 1923, p. 33.

future status, and without prejudicing a contingent future policy of redistribution under the auspices of the League. On the latter point the Portuguese Member, M. Freire d'Andrade, voiced his own apprehension and that of some of his colleagues, 'that if there were a question of transferring the mandate, the mandatory Power might have expended sums so large as to prevent that transfer. Again, the mandatory might have administered the territory badly, or have spent considerable sums without consulting the population. . . . It must be remembered, moreover, that under the terms of the B and C mandates neither the inhabitants of the mandated territory, nor the Council of the League, nor the P.M.C. could be asked to give their opinion regarding the sums lent or given by the mandatory.'[1]

Other members supported the view of the rapporteur, M. van Rees, that 'the mandate, although it should not be a source of profit, should not necessarily become a burden.'[2]

Finally, the P.M.C. decided, in 1927, on the basis of a memorandum by M. van Rees, that members found it impossible to come to an agreement on the issue of how far a mandatory Power would be entitled to refund of expenditure which it had incurred as a result of the guarantee given in respect of loans, or directly to a mandated territory. The Commission accepted, however, the condition put forward by Lord Lugard and M. Rappard, that the mandatory should make it clear at the time when the money was given whether it was to be considered as a loan or a free grant.[3]

As in the case of other subjects, the Commission's discussion on the question of loans or loan guarantees given by the mandatory Power somewhat lacked a sense of reality. It tended to ignore the fact that under the Mandates System, as at present constituted, the mandated territories are dependent on the mandatory Power for the supply of capital. In these circumstances, the principal danger was not so much that the latter would pour too much capital into the respective countries and thus acquire an undesirable additional hold over their assets, but that capital indispensable for the development of the territories would not be forthcoming.

Though the Commission's right—or even duty—to discuss the implications of loans given or guaranteed by the mandatory Powers cannot be disputed, failure to arrive at a clear formulation of principles and the lengthy deliberations extending over five years could not but have a retarding influence on the development of the mandated territories. It has to be admitted, however, that it was, in the first place, the complete lack of guiding prin-

[1] P.M.C. 11th Session, 1927, pp. 172 seq.
[2] *Ibid.*, p. 192.
[3] *Ibid.*, pp. 27 seq.

ciples in the Covenant and the mandates which was responsible for the Commission's hesitation and uncertainty. The reluctance of the League organs to lay down general principles in relation to financial policy would have had an even more adverse effect if the mandatory Powers had not found other devices for financing development. The French Government[1] abstained from issuing the proposed loans and resorted to a less orthodox policy, viz., the issue of token money.

Another device, adopted in French Togoland, was the demonetizing of the £ sterling which had been the recognized currency in Togoland, even under German rule. For the exchange of the £ notes in circulation a rate was fixed considerably below market value, and the sale abroad of the acquired sterling was effected at great profit by the Administration of Togoland.[2]

These methods of financing capital expenditure saved the French mandated territories from being burdened with high debt charges during the economic depression. The grave objections which may be raised against this policy were, however, voiced by the French member of the P.M.C., M. Merlin, in 1927. He pointed out that under this method, 'it would only be possible to carry out work according to the resources of each budgetary period. . . . A loan policy was an all-embracing one and faced definite problems. The other policy was costly and might be compared to the murderous policy of sending small bodies of troops on colonial expeditions.'[3]

The hope expressed by the French representative in 1927 that the Administrations of the two territories under French mandate would be able to dispense altogether with loans was proved a few years later to be too optimistic. Both Administrations found it necessary to refund to revenue account part of the sums spent on capital expenditure, and to raise a loan with the guarantee of the mandatory Power for this purpose, much in the same way as this became necessary in Tanganyika in 1932.

As shown above, the mandatory Government in Tanganyika, in its first years, financed capital works from Exchequer Loans and surplus balances. When this method proved insufficient, the uncertain attitude of the P.M.C. did not prevent the Government from introducing, in 1926, the Palestine and East Africa Loans Bill, the object of which was to enable the respective territories to raise loans in the open market at not appreciably worse conditions than obtainable by those dependencies to which the Colonial Stock Acts applied.

[1] See the declaration by the representative of the French Government. P.M.C. 11th Session, 1927, p. 36.

[2] The financial methods applied were described at length by M. Bonnecarrère in the P.M.C. 6th Session, 1925, p. 38.

[3] P.M.C. 11th Session, 1927, p. 35.

The system of grants from the C.D.A. and similar funds is another proof of the high degree to which the mandated territories are dependent for their development on the resources and goodwill of the mandatory Power,[1] a fact which was probably not fully recognized by the originators of the Mandates System and is certainly not realized by some of the present advocates of an extension of the system to other territories.

2. INVESTMENT OF PRIVATE CAPITAL FROM ABROAD

Although the provision of capital needed for essential public works and general improvement has increasingly come to be recognized as an obligation incumbent on colonial Governments, the outstanding part which private capital and initiative continue to play in the opening up and utilization of the resources of tropical countries has so far not been seriously questioned. While views about the merits of various methods of financing colonial development may differ, it must be deemed an important criterion of the success of any system of colonial administration whether capital for development and economic progress is attracted or deterred.

Sufficient data are not available to allow of even an estimate of private investments in Tanganyika during the mandatory period.[2] From the figures of foreign trade given in Chapter X, it would appear that the capital imported from abroad in the form of goods by private persons and companies cannot have been considerable, since the passive balance of trade up to 1931 is more than accounted for by public loans raised abroad, while from 1932 onwards exports have surpassed imports in each year—in some years, considerably.

The question of how uncertainty in relation to the mandate might be prevented from prejudicing the economic development of the territories, aroused the concern of the P.M.C. at an early stage. In 1924, Lord Lugard expressed the opinion that 'unless investors can feel that their claims will be respected under any future Government, banks will not advance money or mortgages, and private capital will seek other openings and avoid mandated territories. Of this, there is already evidence.'[3]

[1] Assistance on an even more generous scale is provided by the Colonial Development and Welfare Act (1940) which has replaced the Colonial Development Act of 1929. It revises 'the old principle that a colony should have only those services which it can afford to maintain out of its own resources' (Cmd. 6175), includes explicitly mandated territories as eligible for assistance, and does not mention the promotion of commerce with, or industry in, the United Kingdom as an accessory object.

[2] According to estimates made by Prof. S. H. Frankel (*Capital Investment in Africa*, Oxford University Press for R.I.I.A., 1938), twenty million pounds private capital, listed and unlisted, was invested in the territory between 1870 and 1936; this figure includes, however, investments during the German period as well as those made in Zanzibar since the last war.

[3] P.M.C. 5th Session, 1924, Annex, 6.

A year later, M. Rappard declared that the fears of private investors were unjustified and due to ignorance concerning the nature of a mandate and its stability. In the course of these debates, a resolution was drafted by the Commission and later adopted by the Council to allay the apprehension of prospective investors.[1]

However effective the assurance which this resolution was meant to convey may have been in the nineteen-twenties, the heyday of the League, it certainly was not able to allay misgivings as to the territories' future ten years later.

Between 1926 and 1930, when a general upward trend was visible in Tanganyika's development, additional capital, imported partly by new immigrants and partly by existing enterprise, was undoubtedly invested. As in other countries, this movement was arrested by the economic depression, but was resumed after 1934. The comparatively slow development of reef mining in those years was, however, in part at least, attributable to uncertainty as to the future. While the Administration hesitated at first to confirm these rather vague allegations, the Report on Accounts and Finance for 1938 stated definitely: 'Trade and development were severely dislocated by anxiety as to the political future of the territory.'

From the general course of events the conclusion may thus be drawn that it was the political atmosphere in which the Mandates System had to operate which caused delays in the territory's development rather than the stipulations of the mandate itself. There is no indication, in particular, that the predominant concern for native well-being and progress has retarded the inflow of capital, or that the status of mandated territory has induced British capital to avoid Tanganyika as a field of investment. Since the non-African population of Tanganyika, as a result of the economic equality clause, is more mixed in its national composition than that of the adjoining British dependencies, the capital invested in agriculture, industry and trade is naturally likewise owned by individuals and companies of a greater number of nationalities. This applies, without any doubt, to the non-listed capital. The large number of German settlers and planters makes it certain that a considerable proportion of capital invested in farms and plantations is of German origin.[2]

The non-listed capital, however, represents only a small proportion—according to Frankel about 25 per cent.—of the total private capital invested in the territory. It is greatly exceeded by the amount of listed capital, that is to say, capital which, in the

[1] See the text in P.M.C. 6th Session, 1925, p. 172.

[2] It is, however, impossible to ascertain how far such capital is owned by individual settlers, and how far it has been supplied by agencies controlled from Berlin, such as the Usagara Co.

form of securities, is traded on the Stock Exchange. Most of this capital in Tanganyika has been invested in sisal or mining concerns. According to a careful analysis carried out by the *Economist*,[1] 'most of the present listed capital has been of non-German origin.'

The chief sisal and mining concerns in Tanganyika have been established since the last war. Of the six large sisal concerns, representing a share and loan capital of £12,900,000, only Lewa Rubber had operated in the German colony before 1914.

All the big mining companies owning prospecting rights or operating in Tanganyika are registered in either Great Britain or the Union of South Africa, and nearly all of them control mines in Kenya as well. There are, however, two or three concerns which confine their activities to Tanganyika and are owned by German capital.

The preponderance of British capital in Tanganyika planting and mining concerns is easily explained by the importance of the London capital market and its experience in financing colonial enterprise. But it must further be regarded as the outcome of the actual distribution of responsibilities and interest under the present constitution of the Mandates System.

The available experience of twenty years of mandatory Administration has shown clearly that the mere provision of equal economic treatment, though mainly responsible for the great number of nationalities represented among immigrants, has not sufficed to secure the collaboration of capital, on a wide scale, from various countries for the development of the territory's resources. It must not be overlooked in this respect that the manifold rival demands for capital during the period of reconstruction after the last war, and the restrictions imposed in many countries on the export of capital in the later part of the period, have no doubt diverted or detained capital from investment in mandated territories.

However high or low one may be inclined to assess the importance of these different factors, the available evidence shows that the mandated territories are almost as dependent on the mandatory country for financing private enterprise as for the provision of capital for public works. The considerable investment of capital originating from the mandatory country has undoubtedly been instrumental in increasing interest in, and a sense of responsibility for, the mandated territory in important sections of public opinion in Great Britain.

It is doubtful whether a larger participation of capital from various countries could be obtained under the present form of mandatory Administration, or whether it would not be necessary,

[1] *The Economist*, 24th December, 1938, p. 661. The statement refers not only to Tanganyika, but also to South West Africa and New Guinea.

if such participation is considered desirable, to strengthen the international elements of the Administration first. As in other respects, if any reforms were made in this direction, care would have to be taken that the advantages of the present system—under which sufficient capital for the development of the territories has, on the whole, been forthcoming—are not lost in the process; nor should the control be relaxed which provides safeguards for native interests in connection with the operation of foreign investments.

3. THE INTERNAL ACCUMULATION OF CAPITAL

Profits and savings originating in the territory itself constitute another source from which capital for development may be obtained. The fact that only a small proportion of investments is now derived from this source in tropical Africa, does not justify neglecting its present as well as potential contribution.

It may be assumed, on the one hand, that at least a portion of the profits derived from tropical agriculture by non-Africans is being re-invested in the respective territories. In the case of Tanganyika, some of the improvements introduced on sisal estates during the prosperous years before 1930 were partly financed internally. After the economic depression, the sums available out of profits for investment have probably not been considerable. Nor is it likely that European settlers, a great many of whom are relatively recent immigrants, have been able to dispose of large profits for re-investment in the territory.

Members of the Indian trading community, with a few notable exceptions, carry on business on such slender financial foundations that the capital invested by them cannot be large.

A question much more significant for the country's future than the investment of their profits by non-Africans, is to what extent the native population has so far been able, and is being encouraged, to accumulate savings which would gradually reduce the territory's dependence on imported capital.

There can be no doubt that considerable sums are being earned in cash by Africans in Tanganyika, as in other African territories. By the export of cotton and coffee, native producers earn an income, in years of good prices, which must leave them a comfortable margin after the payment of taxes.

However, very little attention has been devoted so far to the question of how natives might be encouraged and helped to practise thrift. Nor have savings facilities been brought within easy reach of the bulk of African peasants. Although the Savings Bank established by the Government in 1927 has branches in all the important centres in Tanganyika, the number of depositors of all races amounted at the end of 1937 to only 8,441, with a sum of £119,721 to their credit. This very modest result from a

population of well over five million is mainly due to the fact that savings banks are still too far removed from the native markets, where they would offer an immediate and convenient opportunity to native peasants of depositing part of the sums derived from the sale of produce.

The recommendation which Sir Frank Stockdale made in his 'Report on a Visit to East Africa' in 1937[1] that savings facilities should be provided at the markets set up by Native Authorities, so far appears not to have been followed up.

The predominant view in official circles still seems to be that natives should be induced to put as much money as possible into circulation by the purchase of trade goods, as is indicated by the following passage from a Report of the Department of Agriculture:[2] 'It would be a pity were the working native family forced to invest its surplus cash in the only bank it thinks it understands, namely livestock, when it is all to the advantage of the traders, the territory and the people in it, to keep money circulating and consumption increasing.'

The Kilimanjaro Co-operative Union, the only important attempt which has been made to organize Tanganyika native producers on co-operative lines, has the sale of coffee as its main object, and provides neither savings nor credit facilities for the members. Apart from certain investments in land and buildings by Native Authorities, the African population appears so far to have contributed little towards equipping the territory with capital.

Although this state of affairs does not differ from that prevailing in practically all the less advanced African territories, the almost total neglect of the thrift and savings problem is particularly surprising in a mandated territory. Greater economic independence within the territory, attainable only by the accumulation of capital, is essential for the implementation of the principal obligation which the mandate imposes on the mandatory Power, viz., the promotion, to the utmost, of the material well-being and social progress of the inhabitants, and their guidance towards a stage of development enabling them to stand by themselves. However far off this last aim may appear, one of the first steps towards its attainment is certainly the education of Africans in industry and thriftiness, and the provision of facilities enabling them to build up gradually capital resources of their own.

One cannot but wonder whether reluctance to face the inevitable evolution towards a more individualistic economic and social system was partly responsible for the lack of initiative shown by the Administration in this field.

[1] C.A.C. 345. See also the present author's article on 'Marketing Schemes for Native-grown Produce', *Africa*, 1939.

[2] Report for 1936, p. 6.

III. THE LESSON: RESULTS AND SUGGESTIONS

CHAPTER XIII

THE MAIN RESULTS OF TWENTY YEARS' MANDATORY ADMINISTRATION

HAS the Mandates System attained its objects? Have the stipulations of Article 22 of the League Covenant been fulfilled, and have the supervisory arrangements proved on the whole satisfactory? This chapter will review briefly the results of mandatory Administration in Tanganyika, supplemented by evidence from other mandated territories, and the next chapter will deal with the machinery of the system. A third chapter will be devoted to the evolution of international regulation in colonial affairs in general.

As pointed out in Part I, the idea of native trusteeship lends itself to a variety of interpretations. Nevertheless, several fairly well definable standards have come to be more and more accepted as criteria whether an Administration can lay claim to fulfilling the 'sacred trust of civilization' towards backward peoples entrusted to its care.

These standards are a land policy which safeguards the present and future needs of native society; a policy of agricultural development calculated to promote the economy of the territory for its own sake instead of concentrating on crops 'complementary' to the production of the mother country; a labour policy which leaves the native genuinely free to choose between cultivating his own land or working for a non-African employer; a policy, moreover, which does not allow any obstacle to be placed in the way of the native who is capable of performing skilled work, and which gives scope to the more advanced and educated members of native communities.

Although various policies and conditions have been freely criticized in the preceding chapters, it may be maintained that, in fundamental issues, the Administration of Tanganyika has fulfilled the main requirements of native trusteeship.

Not only have the preponderantly negative tests just referred to been satisfied; positive measures have been taken to further native welfare and progress. In particular, native agriculturists have been shown how to increase and improve their output and helped to market their crops. It is a matter of opinion whether a more enterprising policy in native affairs would not have done more 'to promote to the utmost the material and moral well-being

and the social progress of the inhabitants.' In most respects, the policy of the Administration of Tanganyika has been very cautious, and a tendency to go slowly in encouraging the evolution of native society has been conspicuous in almost every department. In comparing how British and French methods of colonial administration have been modified under the mandate, one might say that the British Administration has been even more reluctant in mandated territories than in the colonies to do anything to accelerate the disintegration of tribal organization; in the French territories under B mandate, on the other hand, the Administration appears to have shown rather more inclination than in the colonies to experiment with new policies.

Thus, in the two French mandated territories individual land tenure has been encouraged by a simplified form of registration —'constatation'—designed to facilitate the transfer of land into private ownership of advanced Africans.

A comparatively progressive system of taxation, grouping taxpayers into several categories according to their individual capacity to pay, has been introduced in the French Cameroons and French Togoland, before being extended to any French West African colony.

It is, however, not always easy to gauge the actual importance of a particular policy in the absence of information as to what proportion of the population is affected.

Some of the measures introduced in the French mandated territories can have but little practical significance, and it is an open question whether the objects of the Mandates System would not have been better served if the Administration had refrained from putting measures on the Statute Book which, in the present stage of development, must be considered premature. This applies more particularly to some of the labour regulations. It is difficult, for instance, to see what was the use of a 'Permanent Unemployment Commission' in French Togoland in view of the Administration's own statement that the number of unemployed was insignificant.[1]

In the French Cameroons, a decree regulating the work of women and juveniles was passed in 1935 'in order to discharge obligations under the mandate.' This decree prohibits the employment of children under twelve years as well as nightwork by women and by children up to fourteen years; it also provides for an eight-hour working day for children under fourteen and a rest period of eight weeks for women before and after childbirth.[2] It is more than doubtful whether this measure—which was framed to meet the very different conditions in more advanced

[1] *Togo français. Rapport pour* 1934, p. 85.
[2] *Caméroun français. Rapport pour* 1935, pp. 116 and 215.

countries—can be put into practice.[1] These and other examples confirm the view expressed in another connection, viz., that supervision by an outside body may lead Administrations to record achievements which are more spectacular than real.

Equally undesirable is the attempt to impress the supervisory body favourably by offering information, particularly of a statistical character, which, in the present stage of development, is bound to be little more than guesswork. For several years, population statistics for the two French mandated territories were supplied in such details as 'were not to be found in the statistical year-books of the most civilized countries', according to the Commission's expert, M. Rappard.

When the latter expressed doubt as to the accuracy of this amazingly complete information, the French representative admitted that the figures were accurate for a few districts only, those for the rest of the country being based on estimates.

On the whole, British mandatory administration has neither succumbed to the temptation of introducing progressive measures for appearance's sake only, nor tendered information open to suspicion by its very completeness.

It would, of course, be beside the point to assume that mandatory administration is always superior to the administration of colonies. Grave errors and omissions have occurred in all the territories under B mandate. But the fact that in most cases public criticism has fairly soon asserted itself and that the Administrations have usually attempted speedy redress, may in part at least be attributed to the Mandates System.[2]

While mandatory administration of native affairs has, on the whole, a satisfactory record, it has as yet not faced the ultimate test; that is to say, it has not been called upon to decide an issue where the interest of the native people is opposed to that of non-African communities. The economic history of several African countries shows that clashes are most likely to occur over two issues: first, disproportionate alienation of land for non-African agricultural settlement and enterprise and the resultant claims on native labour; and, second, the reservation of the more highly paid skilled work in certain industries, especially mining, for non-Africans.

[1] The same doubt must be raised against similar legislation introduced recently in British tropical Dependencies. See Colonial No. 185, 1943, p. 24.

[2] The reiterated misgivings of the Commission, and of Lord Lugard in particular, were, for instance, instrumental in stopping the recruitment of native labourers from the mountainous Belgian mandated territory for the copper mines of Katanga in the Belgian Congo. The long journey through hot plains and the new conditions of life and work produced alarmingly high death and sickness rates among the workers, and to an even higher degree among the women and children who accompanied them at the instigation of the Administration. The main factor in putting an end to this labour migration was, however, the economic depression of 1930.

Land alienation to non-Natives appears so far to have been kept within the limits compatible with native development. It is more doubtful whether a situation has been altogether avoided in which non-native enterprise finds itself endangered by a shortage of native labour and calls upon the Administration to provide the necessary labour force. In at least one mandated country such a situation had arisen before the outbreak of the present war. The Governor of the French Cameroons, M. Boisson, issued an Ordinance in 1937 temporarily prohibiting new rural and forest concessions to Europeans. In a remarkable lecture delivered in Paris, he explained his reasons.[1] 'The moment has come', he said, 'when a choice must be made between European and native settlement in tropical Africa. It is no more than a pleasant dream to suppose that they can be balanced harmoniously. Africans have shown so clearly their predilection for the cultivation, as peasants, of their own land that there can be no question of any Administration allowing uncontrolled white colonization, unless it is prepared to introduce forced labour at the same time.'

The situation had probably become particularly difficult in the French Cameroons, where a vigorous policy of new concessions had been pursued for several years. Yet the problem has raised its head in all the territories under B mandate, with the possible exception of Togoland, and needs to be watched carefully.

In Tanganyika, too, the slowing down of non-Native settlement may become necessary in order to facilitate changes in organization and technical equipment of European enterprise.

The difficulties of some African countries are to a large extent due to the failure, mainly of employers, but sometimes also of Governments, to recognize that the principles which govern the economic life of more advanced countries also hold good in the simpler conditions of Africa. Every economic organization aiming at the highest possible degree of effectiveness must continually adapt itself to changing circumstances; in other words, it must never cease to adjust the correlation of the three factors of production—land, capital, and labour—to each new situation.

General recognition of the fact that Africa is not a *casus sui generis*, as far as economic principles are concerned, will do much to facilitate the solution of the problems with which many African countries are faced to-day.

A colour bar in certain occupations does not need to be placed on the Statute Book to be effective. So far there is no such colour bar in any of the countries under B mandate, or, indeed, in any tropical country, but portents are not lacking that it may spread to countries north of the Union. There, as is well known, it is

[1] 'Colonisation Européenne ou colonisation indigène.' *Bulletin de documentation coloniale*, No. 124, 15th March, 1938.

due mainly to the existence of a class of poor whites who are dependent on manual labour for their livelihood. It is, therefore, of vital importance that the immigration of persons from whom such a class might emerge should be prevented.

It is doubtful whether the mandates allow the Administration that measure of control over the number and quality of immigrants which is imperative from the point of view of the future development of native society. This applies, in the case of East Africa, to the immigration of both Europeans and Asians. In the absence of sufficient control, Administrations may one day be confronted with a situation in which the two main stipulations of the mandate, native trusteeship and equal economic treatment, will prove to be irreconcilable.

The question whether the stipulation of equal economic treatment has been observed, can be answered more definitely than that concerning native policy.

If the object of the economic equality clause was to keep the door open to the trade and enterprise of nationals from many countries, this object has certainly been attained. Nationals of countries other than that of the mandatory Power share in the economic life of all the territories in which there are any non-African activities, and the number of nationalities represented in immigrant communities is considerable; it amounts to over twenty in both Tanganyika and the French Cameroons.[1]

The effect of the economic equality clause in conjunction with international supervision is made particularly clear by the figures showing the geographical distribution of the import trade. In every country under B mandate foreign countries have a larger share in the import trade than in the adjoining colonies ruled by the same Power, even if these colonies are more or less under an 'open door' régime.

[1] There is, however, a remarkable divergence in the number of foreign nationals in British and French territories respectively. In Tanganyika, in 1938, only 47 per cent. of all Europeans were British, and only 35 per cent. came from the United Kingdom; in the British Cameroons, British nationals accounted only for 33 per cent. of a total white population of 448, while 64 per cent. was German. In the French Cameroons in 1936, the European community of 2,383, although composed of nationals of twenty-three different countries, was 75 per cent. French. (*Rapport pour* 1935, p. 104.) In French Togoland in 1933 (no information for later years is given) 89 per cent. of the European community of 448 persons hailing from seven countries was French.

Origin of Imports into African Territories According to Trade Regime in 1938.

(Net Imports for British Territories, Total Imports for French and Belgian Territories.)

M.=Mandated Territory; O.D.=Colony or Protectorate governed by a régime of the Open Door; I.P.=Régime of Imperial Preference; Q.S.J.=Import Quotas and/or Surtaxes on certain Imports from Japan.

Territories and Trade Régime.		*Percentage of Total imports coming from*		
		Mother Country	*Empire*	*Foreign Countries*
British Territories:				
Tanganyika[1]	*M.*	*31.7*	*8.5*	*59.8*
Kenya-Uganda[2]	O.D.	48.2	10.1	41.7
Nyasaland	O.D.	45.8	5.9	48.3
N. Rhodesia	I.P.[3]	43.5	35.0	21.5
S. Rhodesia	I.P.	50.0	24.3	25.7
Brit. Cameroons[4]	*M.*	*13.2*	*6.3*	*80.5*
Nigeria	Q.S.J.	54.7	8.4	36.9
Gold Coast	Q.S.J.	56.0	6.8	37.2
Sierra Leone	I.P.-Q.	66.2	18.8	15.0
Gambia	I.P.-Q.S.J.	45.8	19.3	34.9
French Territories:				
French Togoland	*M.*	*16.7*	*4.0*	*79.3*
French Cameroons	*M.*	*26.6*	*3.5*	*69.9*
Fr. Equatorial Africa	Mainly O.D.	35.3	3.0	61.7
Fr. West Africa	I.P.	59.0	6.6	34.4
Belgian Territories:				
Ruanda Urundi[5]	*M.*	*26.9*	—	*73.1*
Belgian Congo[5]	O.D.	48.3	—	51.7

Even though special circumstances—such as the predominance of Germans among planters in the British Cameroons and the relatively large German community in Tanganyika—may account partly for the large foreign share in the import trade, it is by no means only Germany which has profited from the open door in the mandated territories. The divergence in the figures for mandated territories and open door colonies is an impressive illustration of the value of continuous supervision in ensuring the observance of the open door. If a larger proportion of exports

[1] Exclusive of trade with Kenya-Uganda.
[2] Exclusive of trade with Tanganyika.
[3] Except the 'Congo Basin' of N. Rhodesia accounting for less than one-tenth of the Territory's external trade.
[4] Cameroons Province only.
[5] Exclusive of trade with Belgian Congo and Ruanda-Urundi respectively.

from the territories went to the mandatory country and its dependencies, this is due partly to geographical factors and partly to conditions of the world markets which made mandated territories, like colonies, increasingly dependent on the market of the governing country for the disposal of their produce. Most territories, however, sent their exports to a large number of destinations, and in the one case—Cameroons Province, the most developed part of the Cameroons under British mandate—where they went almost exclusively to a single country, it was not to the mandatory country, but to Germany which in 1938 took 82 per cent. of the exports.

If—apart from agricultural settlement and plantations laid out by foreign nationals—the capital invested in the mandated territories has been supplied mainly by the mandatory country, this was due chiefly to lack of interest on the part of foreign investors and to the privileged position of the mandatory country under the mandates. This relates in particular to public works. Indeed, the mandatory Powers might have acquired an even firmer hold on the economic life of the territories. They have not availed themselves of the right to establish fiscal monopolies nor, to any large extent, of the authorization 'to carry out the development of natural resources either directly by the State or by a controlled agency.'

The fact that international supervision has ensured a more effective implementation of the open door than in practically all other African countries is of great significance, not only from the point of view of world trade. Its chief importance for colonial policy lies in its repercussions on native welfare and progress.

In the first chapter of this book, it was explained that a policy of discrimination against foreign imports is incompatible with one of assisting Africans to become peasant producers for internal and external markets. The fact that under the B mandates the native is able to buy from the cheapest supplier and thus turn his purchasing power to the best use, dovetails two sides of economic policy and prevents a state of affairs—found in other countries—under which the encouragement and help given to the African as a producer is partly neutralized by the burden imposed on him as a consumer. This may be regarded as the main achievement of the Mandates System in the economic field. The fact that this object has not always been as fully attained as is desirable, does not detract from its fundamental importance.

CHAPTER XIV

THE MACHINERY OF THE MANDATES SYSTEM AND SUGGESTIONS FOR ITS IMPROVEMENT

IN a wide sense, the machinery of the Mandates System comprises the Governments entrusted with the administration of the territories as well as the supervisory organs of the League. It is proposed to deal here only with the latter and of these only with the organs which are concerned exclusively with the system, viz., the Permanent Mandates Commission and the Mandates Section of the League Secretariat. The part played by the League Council and the League Assembly and the possible effect their reform would have on the operation of the system will not be discussed.[1]

1. THE PERMANENT MANDATES COMMISSION

(a) *Functions and Powers.*

Upon the P.M.C. rests not only the responsibility of effective international supervision—it is also of vital importance for the attainment of the wider objects of the Mandates System: the setting up of standards and the keeping alive of a world-consciousness in relation to the administration and welfare of backward peoples.

All authoritative statements, not least those of the P.M.C. itself, indicate clearly that the Commission cannot initiate policy; suggestions by individual members are, however, not ruled out and have frequently been made. Nevertheless, the examination of mandatory administration in Tanganyika has shown that there are few measures in which the direct influence of the P.M.C. can be traced.

In view of the novelty of the experiment, it was inevitable that the P.M.C. should have been allowed considerable discretion in determining its working methods and defining the objects of its enquiries.

Although some representatives of the mandatory Powers tended to interpret the supervisory duties of the P.M.C. in rather a narrow sense, it soon became evident that, to be effective, supervision must cover the whole of the administration, and there are few aspects, particularly of native affairs, on which questions were not asked even if they were not always pressed to the point of eliciting satisfactory information.

[1]See for this Quincy Wright, *op. cit.*, pp. 128 seq.

Disagreement about the extent to which the Commission was entitled to make enquiries related mainly to issues of general policy.[1]

The chief decision—which the Commission could only reach by experience—was how far to concentrate on the details of administration, and how far to elaborate general principles. The Commission realized from the beginning that it must steer a middle course between these two methods. An interesting debate on the subject took place in 1927 when the Commission discussed its 'Duties and Procedure' in the light of six years' experience.[2]

The danger that the Commission might lose itself in meticulous details was clearly recognized. Thus, the Chairman, the Marquese Theodoli, declared: 'The Mandates Commission ought *ipso facto* to limit itself to questions of an important character. Those questions often raised matters of principle. Certain political interests tended to spread the belief that the Commission should not raise questions of principle. Such questions were, however, the primary concern of the Commission's work.' He was supported by the French member, M. Merlin, in whose opinion 'it was the Commission's task to suppress in the territories under mandate not individual abuses, but the system of abuses.' He expected 'that a time would come when, apart from serious incidents, the sessions of the P.M.C. would be more and more reduced.'

On the contrary, another member, M. Rappard, rightly pointed out: 'As the Commission had no other effective means of informa-

[1] Thus, during the discussion of the first Report of the French Cameroons, the French representative expressed the untenable view 'that the actual composition of the Budget did not concern the Commission.' P.M.C. 1st Session, 1921, p. 18.

When in 1933 a member of the Commission expressed doubts as to the expediency of encouraging the inhabitants of Ruanda-Urundi to grow coffee for export, in view of the glut on the world market, the Belgian representative declared this 'to be a very complex question of general economy which he felt the Mandates Commission was not called upon to decide.' P.M.C. 24th Session, 1933, p. 77.

When in 1936 the Chairman of the Commission asked for the view of the Belgian Government on the relations between the stipulations of the Convention of St. Germain and the provisions of the mandate in respect of the open door, the same representative 'was in doubt whether the Commission was entitled to put to it (viz., the Belgian Government) a number of legal questions and theoretical problems which had nothing to do with the facts and acts of the Administration which alone was under its supervision.' P.M.C. 30th Session, 1936, p. 151.

If this narrow interpretation of the Commission's competence had been generally adopted, there would have been little left for it to supervise in the economic field.

The Commission, for its part, overstepped its limits when it drew up, in 1926, a questionnaire containing no less than 230 questions to be answered year by year for each territory. The questionnaire, which was rightly described by a critic as 'amateurish and inquisitorial', was eventually dropped, mainly on a protest in the Council by the British Foreign Secretary, Sir Austen Chamberlain. See *Hansard*, 14. XII. 1926, pp. 2,876 seq.

[2] P.M.C. 11th Session, 1927, p. 26.

tion than the reports, it would seem indispensable to examine them closely with the help of the accredited representatives.'

Actually, during the early years, the Commission devoted considerable time to interpreting the principles underlying the Mandates System, often by examining a special item of policy as practised by the various mandatory countries. Usually, one or more members were asked to draw up memoranda on the subject, and these memoranda formed the basis of very lengthy and often inconclusive discussions. Whilst they have helped to elucidate the text of the mandates and have thus facilitated the Commission's supervisory work, the memoranda have done relatively little to deepen insight into colonial problems. This is due, on the one hand, to their extremely legalistic character, and, on the other, to the strict limitation to issues raised by the terms of the mandates.

For the Commission's main contribution to knowledge of colonial conditions and policies, one must look to the annual discussions on the administration of the different territories. These discussions contain much interesting material, particularly if read in conjunction with the reports of the Administrations. But the thirty-seven foolscap size volumes, each of several hundred pages, do not readily yield their information. More will be said on this point later.

Since 1928, the Commission has almost ceased to discuss general principles or even procedure, presumably because the work done during the initial years was felt to afford sufficient guidance. But the minutes of later years give the impression that the Commission had somewhat lost sight of its own resolution not to become immersed in detail. It may also be that political occurrences in the countries under A mandate claimed so much of the Commission's attention, that it was found impossible to devote further time to general principles. This is, however, a matter for regret, and if the evolution of the Mandates System is contemplated, a reversion to the Commission's former practice will be necessary.

Another question suggested by the study of the Commission's records, though it was never explicitly discussed, is whether the P.M.C. has sufficient opportunity to express an opinion, and, in certain circumstances, give a warning before an Administration embarks on a policy which may have far-reaching consequences.[1]

[1] The following Observation to the Council made in 1928 in relation to the administration of the Belgian mandated territory may be quoted as an example of a warning tendered by the Commission: 'It (the P.M.C.) expresses anxiety... as to the unfortunate consequences to the prosperity and development of the natives which must inevitably follow upon the attribution to Europeans of vast areas of land in an over-populated country, the cultivable surface of which seems hardly to suffice for the present needs of the population. This anxiety

The mandatories have supplied fairly full information on long-term policy. There are, however, instances, particularly in relation to financial policy, where measures aroused misgivings, but where the Commission's criticism came only after the event. Although it is essential to retain the initiative and freedom of action of the mandatory Government, supervision would be more effective and greater weight would attach to the Commission's comments, if it were clearly stated that reports should not be strictly confined to the events of the year under review.

The question whether the Commission's power to elicit information should be extended, has been discussed mainly from two angles.

The first is whether the Commission should be entitled to hear in person petitioners (or their representatives) alleging to have grievances against an Administration. All the mandatory Powers strongly opposed this request maintaining that their authority would suffer if the right to plead against them were conceded to the inhabitants of the territories. This argument was supported by the League Council, and its cogency is difficult to deny. Nor can it be assumed that the treatment of such cases by the P.M.C. would be very different from what it has been hitherto.[2] Moreover, there would be a danger that the P.M.C. would devote even more time to details of administration and thus be diverted from the wider aspects of its supervisory duties.

The second point raises a very different issue: the right of the Commission, or of individual members, to visit the mandated territories in an official capacity. Although private visits are not directly prohibited, nothing has been done to facilitate them, and the Council's ban on official visits has undoubtedly discouraged members from travelling in the territories. This has prevented members, some of whom had no personal knowledge of tropical countries, from acquainting themselves with local conditions in at least some of the territories. There can be no doubt that occasional visits would place the members of the P.M.C. in a better position to appraise statements of the representatives of

would be removed if, as the Commission hopes, future reports are able to state that concessions for long periods are only granted as an exceptional measure when special circumstances justify it in the interest of the natives.' P.M.C. 14th Session, 1928, p. 273. Unfortunately, it was only after several severe famines had ravaged the country and had shown the necessity for promoting foodcrops, that the Commission's warnings, which had been supported by criticism in Belgium, were heeded.

[2] Under the present procedure, complainants may tender their petitions through the mandatory Power to the P.M.C. which, after having obtained a statement from the mandatory Government, has to decide whether to make a report to the Council. Requests for permission to give verbal evidence before the Commission have come mainly from countries under A mandate, the populations of which are far more capable of voicing their grievances than are the bulk of the indigenous peoples in the territories under B or C mandate.

the mandatory Powers, to appreciate the work of the Administrations and to realize the difficulties which they have to overcome. The Commission's work would thus gain in freshness and would be brought into closer touch with life in the territories; it would lose some of the artificial character which attaches to nearly all the work done exclusively at Geneva. Visits, even if paid in an official capacity, are desirable not so much to tighten up supervision as to enable members to form impressions on the spot.[1] Information, not inspection, should be their principal objective.[2]

(*b*) *Composition.*

Because of the key position of the P.M.C., its composition is a matter of vital importance. Nevertheless, this question appears to have received relatively little attention. The only point discussed by the League Council when the Commission was established, was whether nationals of the mandatory Powers should be excluded.[3]

The majority of the members, that is to say, all those who are nationals of countries ruling over colonial dependencies, are either former colonial Governors or have held other high positions in the colonial service of their country. Some of these members have made most valuable contributions to the Commission's work, and a great many of its achievements are due to the untiring efforts, expert knowledge and watchful criticism of eminent former administrators, such as Lord Lugard, Lord Hailey, M. van Rees, M. Orts and Dr. Kastl. The predominance in the Commission of persons whose knowledge of, and outlook on, colonial matters were acquired during an administrative career has, however, inevitably meant that the Commission's approach

[1] One member, M. Orts, after a long journey through several colonies of tropical Africa, remarked pointedly: 'Such a study on the spot was a great education, and it was of the utmost value for a member of the P.M.C. to be able to add to his experience by getting into touch again from time to time with the colonies where the situation developed rapidly.' P.M.C. 14th Session, 1928, p. 16.

[2] The desirability of such visits was emphasized in the Council by M. Madariaga, the Spanish representative, but his was a voice in the desert. 'He desired... to express definitely the opinion that, in the Spanish Government's view, the powers held by the Mandates Commission were inadequate, and that by indirect rather than direct means, and notably by the reduction of its funds, the Commission had been deprived of many instruments which would doubtless have been useful, and sometimes indispensable, for its work. It was hard to see how a Commission entrusted with the guardianship of a remote country could work without eyes and ears—that was to say, without railway and steamship tickets.... It was known that the members of the Mandates Commission could not go to the countries under mandate.' Minutes of 84th Session of the Council. Official Journal, February, 1935, p. 160.

[3] The result was a compromise to the effect that the majority should belong to non-mandatory countries. It was further stipulated that, while serving on the Commission, members should not hold any office placing them in a position of direct dependence on their Governments. Report to the Second Assembly on the Work of the Council. A 9, 1921, pp. 44 seq.

was essentially the same as that of the Administrations, and that its contribution was therefore not based on a different kind of experience. The members, who were not former administrators, were too few to alter this state of affairs, particularly since some of them had apparently no special knowledge of conditions in tropical countries.

There are, however, other valuable kinds of experience besides that of the administrator, especially in educating and guiding native peoples, and there is every reason to believe that the work of the Commission would gain in breadth and interest if it were composed of persons able to contribute a more diversified knowledge and outlook than at present. Why, for instance, should not Christian missions with their unique knowledge of native mentality and native needs be made use of? Again, independent experts and scholars—scientists, economists, sociologists—might enrich the Commission's outlook, particularly if they were familiar with the special problems of tropical countries.

To give effect to these suggestions, members would have to be appointed, in the first place, for their personal qualifications—for the special experience which they were able to bring to the Commission's work. This should be possible, even though nationality cannot be entirely disregarded in a body founded on the idea of international collaboration.

The character of the P.M.C. as a body of experts has been repeatedly emphasized, and appointments were made by the Council of the League. Yet nominees were actually put forward by their Governments, and seats on the Commission came more and more to be regarded as a kind of vested interest of certain countries. This is evident from the fact that during the whole period from 1921 to 1938 every vacancy was filled by a national of the same country. That Mademoiselle Dannevig—a Norwegian—was appointed after the death of Madame Wicksell—a Swede—cannot be regarded as a departure from the usual practice, since the new member was chosen from the same group of countries on the ground, apparently, that the Scandinavian countries should be represented and should supply, for reasons unexplained, the one woman member.

Only the appointment of M. Rappard, a Swiss, seems to have been based solely on personal qualifications, viz., his particular knowledge of the machinery of the Mandates System.[1]

The idea that certain countries should be represented on the

[1] That this was an exceptional appointment was made clear by his being appointed as an 'additional' tenth member on relinquishing his post as Director of the Mandates Section of the Secretariat, on the assumption that he would succeed to the next regular seat falling vacant. Actually, this never happened, obviously because it would have meant that one of the countries would lose its 'representation'.

Commission became even more manifest when the Council, in 1927, asked the Commission's opinion on the proposal to increase the number of members by one, so as to permit the appointment of a German.[1] No name of the person to be appointed was mentioned. Several members protested against this form of the question, since constitutionally members were appointed 'not because of their special nationality, but because of their personal value and their competence.' Actually, this principle had never been strictly observed, and the proposal to appoint a German was the one occasion on which it was thought fit to raise it.

In subsequent years, membership assumed more and more the character of a political appointment and became an object of national aspiration and prestige. This is clear from the following statement by the Polish Minister for Foreign Affairs, M. Beck, in the Council: he took 'the opportunity to express the hope that the composition of the P.M.C. might be reconsidered with a view to its enlargement in such a way as to allow of the representation on the Commission of other countries which, for one reason or another, were keenly interested in certain of the problems which the P.M.C. had to discuss.'[2]

Besides being incompatible with the Commission's character as a body of experts, appointments made for political considerations have the further disadvantage of enlarging it to unmanageable proportions. There were signs that even with the original nine members—for several years there were eleven—the Commission tended to be unwieldy, and a reduction to five or seven would almost certainly expedite and improve its work. There would be fewer members to express an opinion on a great many subjects, decisions would be taken more quickly, and fewer cautiously worded compromises would have to be made.

There is every reason to believe that a relatively small body of independent-minded persons chosen primarily for their personal qualifications would command a high degree of respect and authority. The valuable experience and knowledge of former administrators would doubtless find a place on such a body, but it would be leavened by experience and views acquired in other positions and walks of life.

(*c*) *Publicity.*

The Minutes of the P.M.C. and some of its other documents, as well as the reports and additional information produced by the mandatory Governments at the Commission's request, contain undoubtedly a great deal of interesting and valuable material. Many of the issues raised by the Commission are of wider concern

[1] P.M.C. 11th Session 1927, p. 133.

[2] 93rd Session. Official Journal, November, 1936.

than the administration of a particular territory. There is, therefore, every reason to ensure wide publicity to the Commission's work. This does not necessarily imply that its meetings should be held in public; indeed, on the few occasions when this was done, the results were not encouraging. Nor would public meetings provide the kind of publicity which is desired.[1] What is wanted is a lucid and intelligent account of the outstanding points and problems raised in the reports and discussions—published at low cost and easily accessible to the general public all over the world.

No one who has worked through the several thousand pages of the Commission's Minutes will maintain that these conditions are fulfilled. Even less suitable for the information of a wider public are the very brief and colourless reports of the P.M.C. to the League Council which are hardly intelligible to the uninitiated.

The importance of the right kind of publicity was early recognized by those who had a clear vision of the further potentialities of the Mandates System. The case was vigorously put in 1924 by the British delegate to the Assembly, Mr. Roden Buxton: 'The value of the work of the Mandates Commission', he declared, 'depends upon its appeal to public opinion. It is, therefore, very important that its statements and reports should be such as the general public can read and understand. There must not be too many details; the reports must not be so designed that the ordinary reader and the ordinary journalist cannot see the wood for the trees. Broad principles must be laid down. What I am suggesting is, that we should keep in view the idea that the improved principles of administration, which are gradually being worked out in the mandated territories, should be looked upon as a model for other territories in future.'[2]

The desirability of presenting the Commission's work in a form which would appeal to the general public was not entirely overlooked, and various suggestions were made.

The Vice-Chairman, M. van Rees, reporting on Mr. Buxton's speech, proposed that the Mandates Section of the Secretariat should publish a review dealing exclusively with mandates questions.[3]

In the following year, Lord Lugard, in a special study on 'Procedure', declared: 'The printed (and other) proceedings of the session, including minutes, annexes, replies of Governments, and comments in Council and Assembly are so bulky that there

[1] The question was thoroughly discussed in the 5th and 12th Sessions, 1924, p. 62., and 1929, p. 14.

[2] Official Journal. Special Supplement No. 23. Records of the 5th Assembly, p. 126 (1924).

[3] P.M.C. 5th Session, 1924, p. 152, and Annex 5.

is fear of their being buried as archives and becoming useless. Their very bulk renders them inaccessible to a busy public, and the work of the Mandates Commission is thus known only to a few. Even members of the Commission, if they wish to refer to some particular discussion or resolution, must spend much time in searching records for the particular session.' This was in 1925 when the accumulated material was still manageable! Lord Lugard thought 'that it would be of permanent value and interest if a quinquennial summary of proceedings of the P.M.C. were issued in the form of a small book with references.'[1]

A somewhat similar proposal was put forward two years later by M. van Rees. He suggested that annually, before the autumn session, the Secretariat should compile a résumé of questions dealt with during the year and in need of further discussion, These short statements would enable the public to acquaint itself with the work of the P.M.C.

None of these proposals was adopted, partly because most of the members were not sufficiently interested in publicity, but mainly because the Chief of the Mandates Section of the League Secretariat, M. Catastini, was unwilling to undertake for his department any work beyond its routine duties.

Neither the short survey by the Director of the Mandates Section at the beginning of each session, nor the summary of the Commission's work contained—and buried—in the monthly review of League activities, came anywhere near to attaining the object in question. Nor did the tables of essential figures compiled at intervals of several years serve the purpose. Their last edition, moreover, is dated as far back as 1933.

Thus, no attempt was ever made to provide a brief and lucid account of the principal questions dealt with by the P.M.C. The latter had, therefore, little opportunity to form world opinion on colonial matters beyond its immediate influence on the administration of the mandated territories. If this state of affairs is to be changed, not only must the Commission have a clearer vision of the system's wider objectives; the quality and outlook of the responsible officials of the Mandates Section must also be transformed.

2. THE MANDATES SECTION OF THE LEAGUE SECRETARIAT

While the P.M.C. has attracted some public interest, the Mandates Section of the League Secretariat has been scarcely in the public eye at all. Even the leading works on the Mandates System pass it over or mention it only perfunctorily. Nevertheless, the Section is an essential part of the mandates machinery, and its

[1] P.M.C. 6th Session, 1925, Annex 2.

heads have had a not inconsiderable influence on the operation of the system.[1]

The Section constitutes the link between the mandatory Powers and the P.M.C.; it is also responsible for the Commission's relations with the other organs of the League, viz., the Council and the Assembly. It has, in particular, to prepare for the sessions of the P.M.C., to carry out its instructions, and to keep members informed of events and publications concerning the mandated territories. This last duty is of special importance, since it is incumbent on the Section to pass on to the Commission not only material supplied by the mandatory Governments, but also information from other sources. Whether members are being kept sufficiently informed, therefore, depends largely on the way the Section discharges its duties.

In the early years, the Section appears to have been lacking in discrimination. Lord Lugard, in his memorandum on 'Procedure' (1925), stated: 'With regard to the work of the Secretariat, I submit that we do not derive the full benefit of the extremely able and beneficient staff. A bundle of papers is periodically circulated, some in French and some in English, and some on flimsy paper which often arrives crumpled or mutilated. Probably few members find time to read all in both languages, and they are difficult to file for reference.' Lord Lugard suggested that documents considered of sufficient importance should be translated either in full or *à précis* and communicated to the Commission grouped under certain heads, whether they were official or unofficial, etc. The Secretariat should, moreover, compile and keep up to date a dossier on each special subject dealt with to facilitate reference.

These suggestions were declared to be impracticable by the head of the Section, and were not followed up at later sessions. Since Lord Lugard's complaints were not repeated, some improvement presumably took place.

However, complaints that members did not receive sufficient information recurred, and a scrutiny of the Minutes gives the impression that the work of the Section was not entirely satisfactory. One of its duties, for instance, should have been to prevent questions from falling into oblivion from one session to another. This was apt to occur when a mandatory Government had been asked a question it was not too anxious to answer, by a

[1] The first person to be appointed Director of the Section was Mr. G. L. Beer, an American, who resigned when it became clear that the United States would not join the League. The post as Head of the Section was held from 1921 to 1925 by M. Rappard, who did much to build it up. He was succeeded by M. Catastini, an Italian, who held the post until 1935, but continued to attend the sessions of the P.M.C. as an expert until 1938. He occupied the post not only longest, but during the most decisive years. He was followed by M. de Haller, a Swiss.

member who had subsequently ceased to function. It was the clear duty of the Secretariat to see to it that such matters were not allowed to drop. But it appears to have adopted a passive attitude and to have relied on members to repeat their inquiries.

Even if a very cautious view is taken of the part the Secretariat should play within the machinery of the Mandates System, this does not necessarily entail a lack of enterprise and initiative, such as made the Section into little more than a recording agency. Nor does the novelty of a bureaucratic department recruited from several countries account sufficiently for the insignificant rôle the Section has played within the framework of the system. Other permanent sections of the League and the International Labour Organization have been far more alive to the possibilities of their departments and have exercised a more positive influence on League activities, as far as they were concerned with their particular subject.

The impression is inescapable that the Mandates Section was a kind of backwater in the permanent organization of the League, and, unlike several other sections, was not meant to show initiative and to perform editorial work of a more responsible character.

In other words, the essential part which the bureaucratic organ had to perform, if the Mandates System were to operate effectively, was not fully realized at the outset.

There can be no doubt, however, that publications destined to make the work of the P.M.C. and the objects of the Mandates System more widely known, would require editorial work of a far higher quality than has hitherto been undertaken. For this, the staff of the Section would probably have not only to be increased, but also to be chosen with a view to particular knowledge of, and interest in, colonial affairs. There is little evidence that this consideration has affected the selection of staff to any great extent.

Seeing that so little attention has hitherto been paid to the composition and functioning of the bureaucratic department on which the P.M.C. has to rely for both information and publicity, the need for enhancing the status of that department and for raising the quality of its work cannot be emphasized too strongly. In the absence of such a reform, any attempt to strengthen the Commission's authority or to enlarge its functions would prove futile.

CHAPTER XV

THE FURTHER EVOLUTION OF THE MANDATES SYSTEM AND OF OTHER FORMS OF INTERNATIONAL REGULATION IN COLONIAL AFFAIRS

THE suggestions made in the previous pages for improving the machinery of the Mandates System are based on the assumption that no fundamental change in its character is contemplated, that is to say, on the assumption that it will continue to be, in essence, national administration of a few selected territories, subject to international supervision. It remains to examine proposals for more decisive reforms designed for the most part to strengthen the international elements of colonial government and development.

The most far-reaching proposal—amounting to a departure from, and not a modification of, the system—is to replace international supervision by international administration. The decisive change would be the transfer of initiative and responsibility from the national Government to an international body formed by a number of countries and having as great authority and resources as these countries are willing to accord it. Most advocates of international administration have in mind a governing body deriving either directly from the League of Nations or from a federation of countries considered particularly qualified to collaborate in the administration of colonial territories.[1] The staff administering the territories, according to most of the plans put forward, would likewise be recruited from various countries, possibly after a course of training at an international staff college.[2]

In trying to assess the merits or demerits of the proposed change, one has to ask whether under it the stipulations of the mandates would be better fulfilled, and whether, in particular, it would be more conducive to native progress and welfare. To put this question seems the more necessary, since the advocates of international administration do not consider in need of proof their assertion that native interests will be better looked after under their scheme.

Although the shortcomings of the present system have been admitted and freely discussed in previous chapters, it is a fact that a great deal more than lip service has been paid to the para-

[1] Sometimes a combination of government by a 'federal body' and supervision by a more or less universal League is envisaged. See Norman Bentwich, *The Colonial Problem and the Federal Solution*. Federal Tract No. 3, Macmillan, 1941.

[2] Another possibility, in theory at least, is the delegation of the administration by the responsible governing body to a particular country.

mountcy of native interests and that the territories have developed fairly satisfactorily.

If one tries to ascertain what factors have mainly contributed towards this result, most prominent is the sense of responsibility shown towards the mandated territories by official as well as unofficial bodies in the mandatory countries. On the active interest of these bodies largely depends whether the capital needed for development and the promotion of welfare will be forthcoming; it determines also the degree of vigilance with which parliament, the press and other agents of public opinion follow events in the mandated territories and criticize the acts of the mandatory Government.

All the evidence of the past twenty years goes to show that international supervision, far from having superseded national criticism and rendered it superfluous, has been essentially assisted by it. National sources have provided the P.M.C. with valuable information in addition to that supplied officially under the terms of the Covenant. Parliamentary debates, special reports by Royal Commissions, comments in the press, publications by non-official bodies and individual authors, have greatly added to the knowledge of conditions in the territories, and have enabled members to raise questions on matters not mentioned in official reports, and to form opinions not entirely based on official information. The various agents of public opinion in the metropolitan countries have, moreover, given political and moral support to the Commission's recommendations. They have, in fact, played such an essential part in ensuring the success of mandatory supervision that the existence of free agents of public opinion in the mandatory countries must be regarded as an indispensable condition for effective international supervision. It is hard to believe that world opinion alone, even if better organized than to-day, would be able to perform these functions equally satisfactorily. The danger must not be overlooked that the establishment of international administration would weaken, if not kill, the sense of responsibility for the mandated territories in countries nominally sharing responsibility for their administration. Even now signs are not lacking that the organs of public opinion in the mandatory country do not always devote the same degree of interest to mandated territories as to colonies.[1]

Divided responsibility in the government of backward peoples appears to be of doubtful value, and in the few examples where

[1] When the Belgian representative before the P.M.C. was questioned about the activities of the Belgian Commission for the Protection of Natives, which has been very active in relation to the Belgian Congo, the reply was: 'This Commission has never dealt with Ruanda-Urundi. It was an independent Commission and arranged its agenda as it liked.' P.M.C. 19th Session, 1930, p. 132.

there has been international administration of colonial territories, notably in the Congo Free State, there is little to recommend it either from the point of view of native welfare or from that of economic equality.[1] It was, therefore, a wise decision on the part of the originators of the Mandates System to establish the clear and undivided responsibility of the mandatory Power. It may well be questioned whether it would be in conformity with the principle of native trusteeship to subject the countries and their inhabitants to an experiment devoid of those factors which have so far proved themselves the main guarantees for the protection and furtherance of native interests, viz., a sense of responsibility on the part of the Government and the watchfulness of Parliament and public opinion in the country administering the mandate.

While no reform aiming at strengthening the international elements of the Mandates System should be carried beyond a point where responsibility for the government of the territories would become blurred, this does not exclude a wider participation than at present of persons and capital from various countries in the opening up, development and even, up to a certain point, administration of the territories. This applies particularly to education and to humanitarian activities and also to work of a scientific or technical character. That a high degree of such collaboration in the educational and humanitarian field is practicable, has been proved for many years by the Christian missions. There can be no doubt that a more generous policy in this sphere would not only be more in accordance with the spirit of international collaboration, but would also benefit the African peoples.

The question has been raised in the P.M.C. only in relation to doctors and dentists.

In view of the evident shortage of medical personnel in nearly all mandated territories, but particularly in those under French mandate, and of the admitted difficulty of recruiting sufficient doctors from among nationals of the mandatory Powers, the P.M.C. suggested again and again that properly qualified foreign doctors should be admitted at least as private practitioners and should even be appointed, where necessary, to administrative posts. The matter was stressed mainly by Dr. Kastl, M. Rappard and M. Palacios, all nationals of non-mandatory countries, but they were supported, at least in principle, by the British and Belgian members.

[1] Another danger of international administration has been pointed out by Sir Ernest Barker, viz., the danger 'that the international administrative authority . . . might find itself to be divided internally, and even made ineffective, by national jealousies and national demands for adequate representation and proportionate influence.' *The Ideas and Ideals of the British Empire*, Cambridge University Press, 1941, p. 160.

The insistence of the P.M.C. induced one Administration after another—finally, in 1936, the Administrations of the two territories under French mandate—to admit foreign doctors as private practitioners provided they fulfilled certain conditions ensuring their efficiency. Actually, this concession has changed the situation very little, since, owing to the poverty and backwardness of the native peoples, few European doctors can make a living as private practitioners in any of the territories under B mandate. In a few instances foreign doctors have been temporarily employed by an Administration.

The only other employment open to foreign doctors is medical work under a mission.[1] Essential and valuable as this is, it is necessarily limited in scope, and progress in general health conditions as well as in the provision of treatment for Africans must depend chiefly on the services provided by the Administration. No convincing reasons have been put forward by the mandatory Governments why the employment of medical officers should be reserved to their own nationals, or at least to persons holding a diploma or degree of one of their universities or medical schools.[2]

There is hardly a field where narrow nationalism on the part of the mandatory Powers is more discordant with the spirit of the mandate. Nor can the compromise which was adopted by the P.M.C. be considered satisfactory, viz., that foreign doctors should be made use of only if sufficient applicants from the mandatory country are not forthcoming.

The equality clause which was framed exclusively with a view to economic activities clearly allows too narrow an interpretation in this respect. In order to ensure a wide participation by qualified doctors—as well as scientists, engineers, etc.—from various countries, a more positive formulation of the clause is imperative. It should impose a definite and unmistakeable obligation on the mandatory Government to consider suitable applicants from whatever country they present themselves, on an equal footing with its own nationals, and to treat the diplomas of all universities of recognized standard as equivalent to those of the metropolitan country. It is less certain whether this practice can be applied to the administrative services in a more narrow sense. Here the claim of the governing Powers, that the employment of officers with different kinds of training and traditions might be difficult, carries more weight, and it would be wise to await further experi-

[1] In the statistical information, 'private and missionary' work is lumped together. In Tanganyika, for instance, out of a total of 151 medical practitioners, forty-three held qualifications not registerable in the British Medical Register; thirty-one of these were Germans. All doctors in Government Service (fifty-one) were either British (forty-seven) or British Indian (four). Colonial No. 165, p. 214.

[2] Only the Belgian Government was willing to make this latter concession to foreigners.

ence in the technical services before attempting to give a more international character to the administration proper.[1]

If, however, the internationalization of colonial administration is accepted as the *ultimate* objective, a great deal is to be said for starting at the bottom by gradually introducing nationals of various countries into the local administration, and not at the top, that is to say, the body responsible for the initiative and direction of policy.

The answer to the question whether a more international method of financing development and improvement would be practicable and in the interests of the territories, depends largely on the object for which capital is thus to be raised. It is, for instance, well worth considering whether the fight against tropical diseases might not be carried on more effectively by means of international loans, or whether the capital for communications linking up several countries should not be supplied by all the countries interested in the opening up and trade of the region.

If, on the other hand, economic exploitation financed from international sources is contemplated, this would call for very careful examination as to whether such schemes are not liable to impair the authority and responsibility of the mandatory Government and to reduce its power to guard native interests. The plan, for instance, to hand over large tracts for exploitation by chartered companies financed internationally,[2] cannot but be viewed with serious apprehension. This is the more so, as, apart from mining, none of the present mandated territories offers scope for exploitation on a large scale, and as the attempt to introduce it into agriculture represents a step back from the policy of developing a society of independent peasant producers.[3]

It remains to consider the proposal to extend the present system of international supervision to all colonies, the population of which is in a similar state of backward development to that of the territories under B or C mandate.

As pointed out before, the selection of the territories was rather fortuitous and not in every respect fortunate. In particular, international supervision is of relatively little value in areas which, owing to their small size, have to be administered as integral parts of adjoining colonies. A larger contiguous area in West

[1] The difficulties presented by an international administrative staff detached from national tradition have been convincingly put by Lord Lugard in *Federation and the Colonies*, Federal Tract, No. 7, Macmillan, 1941.

[2] Mentioned, for instance, by M. van Zeeland in his Memorandum on the Reconstruction of World Economy. Cmd. 5648, 1938.

[3] This does not exclude the introduction, in carefully selected areas, of new forms of exploitation based on the collaboration of Government, oversea capital and native farmers, as has been done in the cotton-growing area of the Anglo-Egyptian Sudan and in Italian East Africa; but it is unlikely that there is much room for similar experiments in other parts of Africa.

Africa, for instance, would certainly present a better object for the application of the system than the fractions of land of which the British mandated territories in that area are made up at present.

The proposal to extend the Mandates System to all colonial countries in tropical Africa, however, cannot but be viewed with misgivings. It would mean sacrificing the gist of the matter for an appearance of all-inclusiveness and seems to be based on an erroneous interpretation of the objects and working conditions of the system.

One may hold the view that the P.M.C. has concerned itself too much with trifles, but it is clear that it must deal with many details if its supervision is to be more than a sham, especially in relation to native affairs. The quality of the Commission's work would inevitably suffer by the addition of a great many more territories. Even now the task which the Commission has to perform is formidable, and has, moreover, shown a distinct tendency to increase.[1]

Nor do its wider objects require any great extension of the Mandates System. All the evidence goes to show that, provided the right kind of publicity is ensured, the limitation of the system to a few well-selected territories serves its objects best.

This does not exclude the extension to other territories of the principles laid down in the mandates or in other international documents, or an improvement in their observance. The application of the open door policy to the whole of tropical Africa, in place of the variety of policies at present applied by various Governments, has a great deal to recommend it, both from the point of view of world trade and world prosperity and from that of the progress of the native peoples. Evidence shows that better observance of the open door can be ensured by regular supervision. However, from this it does not follow that the meticulous supervision of the whole of the administration, as carried out by the P.M.C., should be made to cover all the territories, or that the P.M.C. should be charged with the supervision of the open door policy in a wider area. Indeed, there is a great deal to be said for entrusting a special Commission, preferably of not more than three persons, with this task.

The observance of other international conventions, such as those dealing with the recruitment and employment of native labour, the control of the traffic in liquor, etc., would likewise be

[1] This was, however, partly due to the inclusion of the territories under A mandate—originally Iraq, Syria, Palestine, and Transjordan—with their much more intricate political and industrial problems. There is much to be said for transferring to a separate body the supervision of these latter territories, provided that they will yet find themselves in the status of mandated territories at the end of the war.

improved if made subject to supervision by an impartial body. In fact, it would be a decisive step forward in the international regulation of labour conditions in general if a better observance of conventions could be ensured by a system of supervision, and it may be easier to inaugurate such a system in colonial affairs than in other fields.[1]

Another method of improving conditions, particularly in respect of labour, is by bilateral treaty between those territories which are interested as countries of labour supply or demand in the migration of Africans. In view of the wide extension of labour migrations this method is of great importance, and there is still much room for further agreements on the lines of that which has been in force for many years between the Union and Portuguese East Africa and the more recent agreement (1936) between the Governments of Southern Rhodesia, Northern Rhodesia, and Nyasaland. This latter agreement[2] was concluded 'with a view to regulating the movements of emigrant native labour.' It provides, *inter alia,* for the establishment of rest camps, food depôts and dispensaries on the main labour routes and makes provision for the repatriation of workers. A Standing Committee composed of representatives of the three Governments was set up 'to secure co-ordination of labour policy and to consider and report upon problems as they arise.'

There are many other frontiers in Africa which are crossed annually by thousands of labourers migrating temporarily for employment, and that often under great hardship. The Uganda Report on Unskilled Labour,[3] for instance, has revealed that great numbers of labourers from the Belgian mandated territory, Ruanda, arrive in Uganda in the most pitiful state, owing to the discomforts and privations of the journey, and the author emphasizes that improvement depends on the collaboration of the two Governments concerned. The situation in this part of Africa is further complicated by the fact that many of these migrants work for African employers under labour conditions which have hitherto been uncontrolled. In the author's opinion 'the time is not far distant when it will be realized that the African employer must "come into line" just as much as the non-native employer.'

There are thus a variety of methods by which economic and social progress may be furthered through international collaboration. The Mandates System is but one of them, and, moreover, the most recent one. It has certain distinct objectives, but it

[1] This would be a development of the present procedure under which member States have to report annually to the International Labour Office on the implementation of the international conventions which they have ratified.

[2] Published in *Nyasaland Gazette*, 10th November, 1937.

[3] *Report on Conditions affecting Unskilled Labour, and the Supply thereof.* By J. R. McD. Elliot. Entebbe, 1937.

would be a serious mistake to assume that its extension alone can ensure a universally high standard of colonial Government.

Nor must the potentialities of international regulation as such be overrated. Its main function, as demonstrated in relation to labour, is to raise conditions in backward areas to the level attained by the more advanced countries. It is from these latter countries that standards set up in international conventions are derived, and it is within the boundaries of *national* responsibility that the creative force of social progress has primarily asserted itself in the past. This is the lesson taught by history, and there is no reason why it should apply less to progress in colonial affairs than in other fields of human activities.

APPENDIX I

LEAGUE OF NATIONS COVENANT

Article 22

To those colonies and territories, which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them, and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilization, and that securities for the performance of this trust should be embodied in this Covenant.

The best method of giving practical effect to this principle is that the tutelage of such peoples should be entrusted to advanced nations who, by reason of their resources, their experience, or their geographical position, can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League.

The character of the Mandate must differ according to the stage of the development of the people, the geographical situation of the territory, its economic conditions and other similar circumstances.

Certain communities, formerly belonging to the Turkish Empire, have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative advice and assistance by a Mandatory until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the Mandatory.

Other peoples, especially those of Central Africa, are at such a stage that the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion, subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases, and of military training of the natives for other than police purposes and the defence of territory, and will also secure equal opportunities for the trade and commerce of other Members of the League.

There are territories, such as South-West Africa and certain of the South Pacific Islands, which, owing to the sparseness of their population, or their small size, or their remoteness from the centres of civilization, or their geographical contiguity to the territory of the Mandatory, and other circumstances, can be best administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards above mentioned in the interests of the indigenous population.

In every case of Mandate, the Mandatory shall render to the Council an annual report in reference to the territory committed to its charge.

The degree of authority, control, or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council.

A permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories and to advise the Council on all matters relating to the observance of the Mandates.

APPENDIX II

BRITISH MANDATE FOR EAST AFRICA

The Council of the League of Nations:

Whereas by Article 119 of the Treaty of Peace with Germany signed at Versailles on 28th June, 1919, Germany renounced in favour of the Principal Allied and Associated Powers all her rights over her oversea possessions, including therein German East Africa; and

Whereas in accordance with the treaty of 11th June, 1891, between Her Britannic Majesty and His Majesty the King of Portugal, the River Rovuma is recognized as forming the northern boundary of the Portuguese possessions in East Africa from its mouth up to the confluence of the River M'Sinje; and

Whereas the Principal Allied and Associated Powers agreed that, in accordance with Article 22, Part 1 (Covenant of the League of Nations), of the said treaty, a mandate should be conferred upon His Britannic Majesty to administer part of the former colony of German East Africa, and have proposed that the mandate should be formulated in the following terms; and

Whereas His Britannic Majesty has agreed to accept the mandate in respect of the said territory, and has undertaken to exercise it on behalf of the League of Nations in accordance with the following provisions; and

Whereas by the afore-mentioned Article 22, paragraph 8, it is provided that the degree of authority, control or administration to be exercised by the Mandatory, not having been previously agreed upon by the Members of the League, shall be explicitly defined by the Council of the League of Nations:

Confirming the said mandate, defines its terms as follows:

Article 1

The territory over which a mandate is conferred upon His Britannic Majesty (hereinafter called the Mandatory) comprises that part of the territory of the former colony of German East Africa situated to the east of the following line:

From the point where the frontier between the Uganda Protectorate and German East Africa cuts the River Mavumba, a straight line in a south-easterly direction to point 1640, about 15 kilometres south-south-west of Mount Gabiro;

Thence a straight line in a southerly direction to the north shore of Lake Mohazi, where it terminates at the confluence of a river situated about 2½ kilometres west of the confluence of the River Msilala;

If the trace of the railway on the west of the River Kagera between Bugufi and Uganda approaches within 16 kilometres of the line defined above, the boundary will be carried to the west, following a minimum distance of 16 kilometres from the trace, without, however, passing to the west of the straight line joining the terminal point on Lake Mohazi and the top of Mount Kivisa, point 2100, situated

on the Uganda-German East Africa frontier about 5 kilometres south-west of the point where the River Mavumba cuts this frontier;

Thence a line south-eastwards to meet the southern shore of Lake Mohazi;

Thence the watershed between the Taruka and the Mkarange and continuing southwards to the north-eastern end of Lake Mugesera;

Thence the median line of this lake and continuing southwards across Lake Ssake to meet the Kagera;

Thence the course of the Kagera downstream to meet the western boundary of Bugufi;

Thence this boundary to its junction with the eastern boundary of Urundi;

Thence the eastern and southern boundary of Urundi to Lake Tanganyika.

The line described above is shown on the attached British 1:1,000,000 map. G.S.G.S. 2932, sheet Ruanda and Urundi. The boundaries of Bugufi and Urundi are drawn as shown in the Deutscher Kolonialatlas (Dietrich-Reimer), scale 1:1,000,000, dated 1906.

Article 2

Boundary Commissioners shall be appointed by His Britannic Majesty and His Majesty the King of the Belgians to trace on the spot the line described in Article 1 above.

In case any dispute should arise in connection with the work of these commissioners, the question shall be referred to the Council of the League of Nations, whose decision shall be final.

The final report by the Boundary Commission shall give the precise description of this boundary as actually demarcated on the ground; the necessary maps shall be annexed thereto and signed by the commissioners. The report, with its annexes, shall be made in triplicate; one copy shall be deposited in the archives of the League of Nations, one shall be kept by the Government of His Majesty the King of the Belgians and one by the Government of His Britannic Majesty.

Article 3

The Mandatory shall be responsible for the peace, order and good government of the territory, and shall undertake to promote to the utmost the material and moral well-being and the social progress of its inhabitants. The Mandatory shall have full powers of legislation and administration.

Article 4

The Mandatory shall not establish any military or naval bases, nor erect any fortifications, nor organize any native military force in the territory except for local police purposes and for the defence of the territory.

Article 5

The Mandatory:

(1) Shall provide for the eventual emancipation of all slaves and for as speedy an elimination of domestic and other slavery as social conditions will allow;

(2) Shall suppress all forms of slave trade;

(3) Shall prohibit all forms of forced or compulsory labour, except for essential public works and services, and then only in return for adequate remuneration;

(4) Shall protect the natives from abuse and measures of fraud and force by the careful supervision of labour contracts and the recruiting of labour;

(5) Shall exercise a strict control over the traffic in arms and ammunition and the sale of spirituous liquors.

Article 6

In the framing of laws relating to the holding or transfer of land, the Mandatory shall take into consideration native laws and customs, and shall respect the rights and safeguard the interests of the native population.

No native land may be transferred, except between natives, without the previous consent of the public authorities, and no real rights over native land in favour of non-natives may be created except with the same consent.

The Mandatory will promulgate strict regulations against usury.

Article 7

The Mandatory shall secure to all nationals of States Members of the League of Nations the same rights as are enjoyed in the territory by his own nationals in respect of entry into and residence in the territory, the protection afforded to their person and property, the acquisition of property, movable and immovable, and the exercise of their profession or trade, subject only to the requirements of public order, and on condition of compliance with the local law.

Further, the Mandatory shall ensure to all nationals of States Members of the League of Nations, on the same footing as to his own nationals, freedom of transit and navigation, and complete economic, commercial and industrial equality; provided that the Mandatory shall be free to organize essential public works and services on such terms and conditions as he thinks just.

Concessions for the development of the natural resources of the territory shall be granted by the Mandatory without distinction on grounds of nationality between the nationals of all States Members of the League of Nations, but on such conditions as will maintain intact the authority of the local Government.

Concessions having the character of a general monopoly shall not be granted. This provision does not affect the right of the Mandatory to create monopolies of a purely fiscal character in the interest of the territory under mandate, and in order to provide the territory with fiscal resources which seem best suited to the local requirements; or, in certain cases, to carry out the development of natural resources either directly by the State or by a controlled agency, provided that there shall result therefrom no monopoly of the natural resources for the benefit of the

Mandatory or his nationals, directly or indirectly, nor any preferential advantage which shall be inconsistent with the economic, commercial and industrial equality hereinbefore guaranteed.

The rights conferred by this article extend equally to companies and associations organized in accordance with the law of any of the Members of the League of Nations, subject only to the requirements of public order, and on condition of compliance with the local law.

Article 8

The Mandatory shall ensure in the territory complete freedom of conscience and the free exercise of all forms of worship which are consonant with public order and morality; missionaries who are nationals of States Members of the League of Nations shall be free to enter the territory and to travel and reside therein, to acquire and possess property, to erect religious buildings and to open schools throughout the territory; it being understood, however, that the Mandatory shall have the right to exercise such control as may be necessary for the maintenance of public order and good government, and to take all measures required for such control.

Article 9

The Mandatory shall apply to the territory any general international conventions already existing, or which may be concluded hereafter, with the approval of the League of Nations, respecting the slave trade, the traffic in arms and ammunition, the liquor traffic and the traffic in drugs, or relating to commercial equality, freedom of transit and navigation, aerial navigation, railways, postal, telegraphic and wireless communication and industrial, literary and artistic property.

The Mandatory shall co-operate in the execution of any common policy adopted by the League of Nations for preventing and combating disease, including diseases of plants and animals.

Article 10

The Mandatory shall be authorized to constitute the territory into a customs, fiscal and administrative union or federation with the adjacent territories under his own sovereignty or control, provided always that the measures adopted to that end do not infringe the provisions of this mandate.

Article 11

The Mandatory shall make to the Council of the League of Nations an annual report to the satisfaction of the Council, containing full information concerning the measures taken to apply the provisions of this mandate.

A copy of all laws and regulations made in the course of the year and affecting property, commerce, navigation or the moral and material well-being of the natives shall be annexed to this report.

Article 12

The consent of the Council of the League of Nations is required for any modification of the terms of this mandate.

Article 13

The Mandatory agrees that if any dispute whatever should arise between the Mandatory and another Member of the League of Nations relating to the interpretation or the application of the provisions of the mandate, such dispute, if it cannot be settled by negotiation, shall be submitted to the Permanent Court of International Justice provided for by Article 14 of the Covenant of the League of Nations.

States Members of the League of Nations may likewise bring any claims on behalf of their nationals for infractions of their rights under this mandate before the said Court for decision.

The present instrument shall be deposited in original in the archives of the League of Nations. Certified copies shall be forwarded by the Secretary-General of the League of Nations to all Members of the League.

Done at London, the twentieth day of July one thousand nine hundred and twenty-two.

Certified true copy:

For the Secretary-General, League of Nations,

RAPPARD,

Director of the Mandates Section.

TABLE A.1

AGRICULTURAL HOLDINGS IN TANGANYIKA ON 31ST DECEMBER, 1938, BY PROVINCES

Province	*Number of Holdings*	*Total Acreage ('000)*	*Average Acreage of Holding*
(1) Lake	116	41	354
(2) Central	41	8	193
(3) Western	80	23	284
(4) Southern	112	118	1,054
(5) Eastern	434	404	999
(6) Northern	587	457	779
(7) Tanga	377	641	1,701
(8) S. Highlands ...	349	427	1,223
4–8	1,859	2,047	1,101
Grand Total ...	2,096	2,119	1,012

TABLE A.2

AGRICULTURAL HOLDINGS IN TANGANYIKA ON 31ST DECEMBER, 1930 AND 1938, BY NATIONALITY OF HOLDERS

	1930				1938			
Nationality	*Number of Holdings*	*Acres per Holding*	*Percentage of total Holdings*	*Percentage of total Acreage*	*Number of Holdings*	*Acres per Holding*	*Percentage of total Holdings*	*Percentage of total Acreage*
British	520	1,454	30.2	39.3	440	1,791	26.0	38.8
German ...	375	1,039	21.8	20.1	554	860	32.8	23.5
Brit. Indian ...	358	914	20.8	17.0	278	994	16.4	13.6
Greek	247	963	14.3	13.4	223	865	13.2	9.5
S. African ...	44	1,508	2.6	3.4	51	1,116	3.2	2.8
Swiss	5	1,323	0.3	0.3	15	3,993	0.9	3.0
Others[1]	172	764	10.0	6.5	129	1,374	7.5	8.8
Total ...	1,721	1,116	100.0	100.0	1,690	1,120	100.0	100.0

[1] Excluding land held by Missions.

Source: Tanganyika—Annual Reports of Department of Lands and Mines.

TABLE B

TANGANYIKA—CHIEF AGRICULTURAL EXPORTS. QUANTITIES (1,000 CWT.) AND VALUES (£'000).

Produce	1913 Q.	1913 V.	1929 Q.	1929 V.	1931 Q.	1931 V.	1937 Q.	1937 V.	1938 Q.	1938 V.	1913 Value in % of Total Exports	1938 Value in % of Total Exports
Rubber ...	26	309	0	0	0	0	0	0	0	0	17.5	0
Sisal ...	417	536	915	1,486	1,119	707	1,813	2,079	2,028	1,425	30.1	38.4
Hides and Skins[1] ...	69	275	51	223	41	84	64	225	59	160	15.4	4.3
Cotton ...	44	98	73	247	49	120	230	604	181	380	6.7	10.3
Copra ...	110	117	158	145	145	62	150	105	80	32	6.6	0.9
Groundnuts	170	96	155	120	61	29	445	258	72	31	5.3	0.8
Beeswax .	11	71	7	48	12	47	15	82	14	55	4.0	1.5
Coffee, raw	21	47	177	589	185	247	272	430	275	386	2.6	10.4
Sesame ...	30	20	85	75	77	37	92	56	105	53	1.1	1.4
Rice ...	15	9	52	59	95	51	177	91	164	91	0.5	2.5
Sugar ...	–	–	–	–	–	–	62	31	81	40	–	1.1
Others[2] ...	.	200	.	731	.	261	.	1,008	.	1,055	10.2	28.4[3]
Total ...	.	1,778	.	3,723	.	1,645	.	4,969	.	3,708	100.0	100.0
INDICES: 1913 = 100												
Sisal ...	–	–	219	278	269	132	435	388	487	267		
Hides and Skins[1] ...	–	–	74	81	61	31	93	82	85	58		
Cotton ...	–	–	168	253	111	123	535	618	411	392		
Copra ...	–	–	145	126	132	55	137	89	73	26		
Groundnuts	–	–	87	125	34	30	248	226	40	32		
Beeswax ...	–	–	60	68	109	67	132	116	123	78		
Coffee, raw	–	–	838	127	875	530	1,289	922	1,300	829		
Sesame ...	–	–	289	267	260	180	313	274	355	262		
Rice ...	–	–	336	676	616	587	1,149	1,040	1,061	1,042		

[1] 1937 and 1938 hides only. [2] Mainly minerals and forest products.
[3] Gold accounted for 15.9 per cent. of total exports in 1938.
Source: Tanganyika—Annual Reports of Department of Agriculture.

TABLE C.1

TANGANYIKA—FOREIGN TRADE[1] (EXCLUSIVE OF RE-EXPORTS).

£ '000

Year[2]		*Exports*	*Imports*	*Excess of Exports over Imports*
1902	...	264	443	— 179
1912	...	1,538	2,463	— 925
1925	...	2,901	2,760	141
1926	...	3,026	3,051	— 25
1927	...	3,295	3,529	— 234
1928	...	3,874	3,563	311
1929	...	3,723	4,021	— 298
1930	...	2,636	3,721	—1,085
1931	...	1,645	2,250	— 605
1932	...	2,190	2,039	151
1933	...	2,543	1,764	779
1934	...	2,645	2,132	513
1935	...	3,445	2,711	734
1936	...	4,516	3,067	1,449
1937	...	4,969	3,582	1,387
1938	...	3,708	3,105	603

[1] Merchandise and Bullion; Specie excluded.
[2] The figures for 1902 and 1912 refer to German East Africa. The conversion into £'s has been made at 20 M.=£1.

Sources: For German East Africa: *Die deutschen Schutzgebiete in Afrika und der Südsee*, 1912/13, Statistischer Teil, p. 226.
For Tanganyika: Trade Reports.

TABLE C.2

FOREIGN TRADE PER HEAD OF POPULATION IN DIFFERENT COUNTRIES IN 1937

Country		*Population*[1] ('000)	*Exports* £	*s.*	*d.*	*Imports* £	*s.*	*d.*
Kenya ...	...	3,334	2	12	8	2	10	0
Uganda ...	...	3,557	1	10	10		17	5
Tanganyika	...	5,182		19	0		13	10
Nyasaland	...	1,639		10	2		8	11
N. Rhodesia	...	1,337	8	12	10	2	16	5
Nigeria ...	...	20,447		18	9		14	1
Gold Coast	...	3,704	4	6	1	3	5	5

[1] The population figures are those given in the Official Reports as estimates for 1937, except those of Uganda which are the figures of the Census of 1931.

Tanganyika—Net Imports of Certain Goods.

TABLE C.3
I. Cotton Piece Goods.

Year	£(000)	*Yards* (000)
1912[1]	661	.
1925	905	27,253
	Indices (1925=100)	
1926	85	99
1927	100	81
1928	95	122
1929	91	124
1930	71	113
1931	49	104
1932	46	115
1933	43	126
1934	48	121
1935	59	145
1936	62	161
1937	79	169
1938	55	124

[1] German East Africa.

TABLE C.4
II. Artificial Silk Goods.

Year	£(000)	*Yards* (000)
1929	21	388
	Indices (1929=100)	
1930	95	128
1931	52	96
1932	96	248
1933	110	338
1934	82	277
1935	123	399
1936	110	340
1937	212	608
1938	88	227

TABLE C.5
III. Boots and Shoes.

Year	£(000)	*Pairs* (000)
1925	10	44
	Indices (1925=100)	
1929	240	286
1930	220	475
1931	140	461
1932	130	500
1933	100	431
1934	170	659
1935	180	661
1936	300	1,170
1937	290	902
1938	190	543

Sources: For Tanganyika: Trade Reports, 1925–38.
For German East Africa: Die deutschen Schutzgebiete 1912/13, Statistischer Teil. pp. 130 seq. and 180 seq.

TABLE C.6

TANGANYIKA[1]—DOMESTIC EXPORTS

Share of Principal Countries of Destination (Percentages).

Year	United Kingdom	Brit. India	Union of S. Africa	Germany	Belgium	Holland	France	U.S.A.	Japan	Kenya and Uganda inclus. Re-exports of Tanganyika Produce	Kenya and Uganda exclus. Re-exports of Tanganyika Produce
1925 ...	25.7	1.4	0.2	8.0	8.6	1.3	5.4	4.2	•	33.8	•
1929 ...	16.2	1.9	2.2	5.8	28.6	3.7	3.8	4.1	3.3	21.1	•
1930 ...	13.4	3.1	1.7	5.5	32.7	6.7	3.5	1.2	0.3	20.8	•
1931 ...	14.6	3.3	1.6	3.8	33.8	2.9	2.0	2.1	•	23.4	•
1932 ...	29.2	3.8	0.6	7.2	13.7[2]	2.9	3.1	3.1	1.3	26.6	5.2[3]
1933 ...	26.7	6.2	1.0	10.9	13.2	3.2	2.9	1.9	•	24.6	6.0
1934 ...	27.4	6.3	1.3	8.7	8.7	2.9	2.0	1.0	2.4	30.9	7.7
1935 ...	31.3	9.3	1.3	7.3	10.0	1.9	3.7	3.8	0.4	22.9	5.2
1936 ...	32.2	5.9	1.5	7.2	12.7	3.2	3.8	6.9	2.3	16.1	3.9
1937 ...	29.9	8.4	2.9	10.1	12.0	4.2	4.1	4.7	0.2	16.0	4.3
1938 ...	32.3	6.8	2.2	7.7	10.5	3.8	3.7	4.7	0.4	19.0	6.0

[1] The exports of German East Africa showed the following distribution in 1912 (percentages): Germany, 56.4; Great Britain, 10.6; Rest of Europe, 6.5; Rest of Africa (including Zanzibar), 24.4.
[2] The reduction in the Belgian share was mainly due to a change in the direction of sisal exports.
[3] Partly estimated.

Sources: Tanganyika. Trade Reports, 1925–38.
Die deutschen Schutzgebiete, 1912/13, Statistischer Teil, pp. 159 seq. and 206 seq.

TABLE C.7

TANGANYIKA[1]—IMPORTS (INCLUSIVE OF RE-EXPORTS, BUT EXCLUSIVE OF BULLION AND SPECIE)
Share of Principal Countries of Origin (Percentages)

Year	*United Kingdom* *inclusive Government*	*United Kingdom* *exclusive Imports*	*Brit. India*	*Kenya-Uganda*	*Germany*	*Holland*	*Japan*	*U.S.A.*
1925	39.2	29.6[2]	17.3	3.4	10.5	9.0	7.2	3.9
1929	34.2	25.3[2]	12.4	4.5	12.2	8.0	6.0	8.0
1930	42.3	26.1	10.1	4.5	8.8	6.2	6.7	6.8
1931	36.4	24.4	10.7	6.9	6.1	5.0	10.7	6.6
1932	30.3	26.6	9.3	8.7	7.3	3.9	16.5	5.6
1933	29.1	26.7	6.9	10.1	10.2	3.1	21.4	3.4
1934	27.6	24.6	5.3	11.5	9.8	2.3	22.3	5.7
1935	29.0	24.1	5.0	9.6	10.7	1.4	22.0	6.3
1936	27.2	23.7	5.0	8.3	14.1	1.4	23.3	6.5
1937	24.3	21.6	5.4	9.3	13.4	2.4	23.8	6.5
1938	26.9	22.6	4.7	11.3	13.4	3.1	17.2	7.0

[1] Imports of German East Africa originated in 1912 in the following countries (percentages): Germany 51.3 (exclusive Government Imports 49.5); Great Britain, 4.9; India, 17.4; Rest of Europe, 8.3; Rest of Africa (including Zanzibar), 16.3.

[2] Approximate figures only.

Sources: Tanganyika Trade Reports, 1925–38. *Die deutschen Schutzgebiete*, 1912/13, Statistischer Teil, pp. 180 seq. and 222 seq.

TABLE C.8

TANGANYIKA[1]—IMPORTS OF COTTON PIECE GOODS

Countries of Origin

Year		Total £'000	Percentages United Kingdom	British India	Japan	Holland	Other Countries
1925	...	955	28.0	24.9	19.3	19.2	8.6
—	—	—	—	—	—	—	—
1929	...	903	23.5	23.0	17.6	24.8	11.1
1930	...	697	26.4	20.2	24.8	21.5	7.1
1931	...	494	17.6	26.5	38.2	13.7	4.0
1932	...	450	23.6	15.6	49.3	8.0	3.5
1933	...	443	16.6	9.0	66.1	6.3	2.0
1934	...	493	13.3	5.8	74.4	4.6	1.9
1935	...	602	14.2	4.4	77.0	2.9	1.5
1936	...	649	9.6	4.9	82.1	2.4	1.0
1937	...	803	8.0	8.3	75.4	4.9	3.4
1938	...	592	9.6	7.2	72.6	9.6	1.0

[1] The principal suppliers of Cotton Piece Goods (Baumwollgewebe) of German East Africa were in 1912 (percentages): Germany 19.2; Great Britain 10; India 22.7; the rest of Asia sent 26.8 per cent., the greater part of which probably also came from India.

TABLE D.1

Tanganyika—Expenditure and Revenue

£'000

Year[1]	*Ordinary Expenditure*[2]	*Ordinary Revenue*[2]	*Surplus or Deficit*	*Extraordinary Expenditure on Public Works from Current Revenue*
1923 ...	1,005	1,074	69	210
1924 ...	1,024	1,240	216	229
1925 ...	1,226	1,570	344	222
1926 ...	1,430	1,692	262	153
1927 ...	1,520	1,854	334	224
1928 ...	1,656	1,973	317	217
1929 ...	1,788	1,993	205	297
1930 ...	1,835	1,749	— 86	267
1931 ...	1,771	1,522	—249	50
1932[3] ...	1,243	1,291	48	12
1933 ...	1,640	1,559	— 81	11
1934 ...	1,659	1,720	61	12
1935 ...	1,709	1,974	265	30
1936 ...	1,973	2,150	177	57
1937 ...	2,069	2,233	164	75
1938 ...	2,109	2,100	— 9	112

[1] 1923–31 years from 1st April to 31st March; from 1932 Calendar years.
[2] Figures from Treasurer's Reports with certain adjustments.
[3] Nine months only.

Source: Tanganyika—Treasurer's Reports.

German East Africa—Expenditure and Revenue

£'000; (20M.=£1)

Year	*Expenditure*		*Revenue*	
	Ordinary	*Extraordinary*[1]	*Ordinary*	*Extraordinary*[1]
1904 ...	523	—	634	—
1910 ...	695	822	952	962
1914[2]	1,187	1,840	1,187	1,840

[1] Mainly loans.
[2] Estimates.

Source: Die deutschen Schutzgebiete, Statistischer Teil, 1912–13, pp. 401–402.

TABLE D.2

Tanganyika—Revenue from Customs Duties and Native Taxes.

Year[1]		Customs Duties (£'000)	Native Hut and Poll Tax[4] (£'000)	Customs Duties as Percentages of Total Revenue	Native Taxes as Percentages of Total Revenue
1912[2]	...	265	255	42.5	40.7
1923	...	337	426	32.2	40.8
1924	...	427	447	34.8	36.5
1925	...	501	675	32.3	43.5
1926	...	563	692	33.7	41.4
1927	...	632	718	34.6	39.2
1928	...	698	747	35.8	38.3
1929	...	740	757	37.6	38.4
1930	...	566	710	33.1	41.6
1931	...	411	545	28.8	37.6
1932[3]	...	300	461	24.4	37.4
1933	...	405	590	26.7	39.3
1934	...	476	592	28.2	35.4
1935	...	613	632	32.4	33.4
1936	...	697	657	33.4	31.5
1937	...	751	663	34.7	30.7
1938	...	685	643	34.1	32.4

Source: Tanganyika—Treasurer's Reports.—*Die deutschen Schutzgebiete*, 1912/13, Statistischer Teil, pp. 401 and 408.

[1] 1923–31, years from 1st April to 31st March; from 1932, Calendar years.
[2] German East Africa (20 M. = £1)—Revenue as derived from the Colony's own resources.
[3] Nine months only.
[4] In 1912 House and Hut Tax; approximately 2 per cent. of the proceeds were paid by Europeans and non-native Coloured.—1923 to 1925 inclusive of non-native House Tax.

TABLE D.3

TANGANYIKA—EXPENDITURE OF NATIVE TREASURIES IN 1938

Heading		*Actual* £	*Percentages*
Tribal Administration	...	135,161	70.1
Medical and Sanitation	...	17,399	9.1
Education ...	... ...	12,692	6.5
Agriculture	... ...	10,077	5.2
Veterinary ...	... ...	1,480	0.8
Roads and Bridges	...	8,200	4.3
Tsetse Reclamation	...	1,063	0.6
Water Supply	... ...	2,868	1.5
Forestry ...	... ...	2,032	1.1
General ...	... ...	1,823	0.8
Total	...	192,795	100.0

Source: Annual Reports of Provincial Commissioners for 1939, p. 111.

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PRINTED IN GREAT BRITAIN
BY THE CHISWICK PRESS, LONDON, N.11